
DEPARTMENT OF DEFENSE

FY 2001

AGENCY-WIDE

***SUPPORTING
CONSOLIDATING
AND
COMBINING STATEMENTS***

Supporting Consolidating and Combining Statements



(This page intentionally left blank)

Supporting Consolidating and Combining Statements



Department of Defense Agency-wide CONSOLIDATING BALANCE SHEET As of September 30, 2001

(\$ in millions)	General Funds			Working Capital Funds			Military Retirement Fund
	Army	Navy	Air Force	Army	Navy	Air Force	
ASSETS							
Intragovernmental:							
Fund Balance with Treasury	\$ 37,351.0	\$ 66,339.0	\$ 44,259.8	\$ 325.7	\$ 1,204.4	\$ 556.6	\$ 18.2
Investments	3.2	9.5	1.1	0.0	0.00	0.0	169,177.4
Accounts Receivable	727.6	1,042.8	394.5	276.4	894.5	461.2	0.0
Other Assets	61.6	47.2	351.7	27.0	29.5	57.3	0.0
Total Intragovernmental Assets	\$ 38,143.4	\$ 67,438.5	\$ 45,007.1	\$ 629.1	\$ 2,128.4	\$ 1,075.1	\$ 169,195.6
Cash and Other Monetary Assets	\$ 168.4	\$ 160.6	\$ 486.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Accounts Receivable	362.7	1,682.2	561.8	22.6	109.7	105.3	19.6
Inventory and Related Property	34,543.5	61,061.6	57,610.4	10,791.3	17,885.9	11,056.4	0.0
General Property, Plant and Equipment	17,621.5	24,961.5	20,444.1	1,149.6	4,151.2	1,258.0	0.0
Other Assets	3,726.6	6,056.8	5,509.6	274.3	1,373.4	468.5	0.0
TOTAL ASSETS	\$ 94,566.1	\$ 161,361.2	\$ 129,619.2	\$ 12,866.9	\$ 25,648.6	\$ 13,963.3	\$ 169,215.2
LIABILITIES							
Intragovernmental:							
Accounts Payable	\$ 874.3	\$ 1,002.2	\$ 740.6	\$ 67.1	\$ 462.9	\$ 143.9	\$ 0.1
Debt	0.1	0.1	0.1	0.0	888.3	0.0	0.0
Other Liabilities	658.7	1,066.2	2,257.2	118.9	119.1	353.5	0.3
Total Intragovernmental Liabilities	\$ 1,533.1	\$ 2,068.5	\$ 2,997.9	\$ 186.0	\$ 1,470.3	\$ 497.4	\$ 0.4
Accounts Payable	\$ 6,698.8	\$ 2,075.0	\$ 4,180.4	\$ 355.5	\$ 1,041.4	\$ 1,328.0	\$ 0.0
Military Retirement Benefits and Other							
Employment-Related Actuarial Liabilities	1,646.5	1,595.9	1,269.8	308.7	1,372.7	242.1	705,248.9
Environmental Liabilities	40,071.1	15,584.5	7,312.9	0.0	0.0	0.0	0.0
Loan Guarantee Liability	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities	6,944.4	3,610.9	4,119.0	209.9	4,045.6	3,111.8	3,006.9
TOTAL LIABILITIES	\$ 56,893.9	\$ 24,934.8	\$ 19,880.0	\$ 1,060.1	\$ 7,930.0	\$ 5,179.3	\$ 708,256.2
NET POSITION							
Unexpended Appropriations	\$ 28,895.6	\$ 61,982.5	\$ 39,006.8	38.9	0.0	0.0	0.0
Cumulative Results of Operations	8,776.6	74,443.9	70,732.4	11,767.9	17,718.6	8,784.0	(539,041.0)
TOTAL NET POSITION	\$ 37,672.2	\$ 136,426.4	\$ 109,739.2	\$ 11,806.8	\$ 17,718.6	\$ 8,784.0	\$ (539,041.0)
TOTAL LIABILITIES AND NET POSITION	\$ 94,566.1	\$ 161,361.2	\$ 129,619.2	\$ 12,866.9	\$ 25,648.6	\$ 13,963.3	\$ 169,215.2

Supporting Consolidating and Combining Statements



Department of Defense Agency-wide CONSOLIDATING BALANCE SHEET As of September 30, 2001

(\$ in millions)	USACE	Other Defense GF	Other Defense WCF	Combined	Intraentity Eliminations	FY 2001 Consolidated	FY 2000 Consolidated
ASSETS							
Intragovernmental:							
Fund Balance with Treasury	\$ 2,538.0	\$ 36,201.9	\$ 1,334.5	\$ 190,129.1	\$ 0.0	\$ 190,129.1	\$ 177,531.3
Investments	2,255.5	1,841.5	0.0	173,288.2	0.0	173,288.2	166,522.4
Accounts Receivable	476.5	216.0	1,601.1	6,090.6	5,026.4	1,064.2	821.4
Other Assets	0.0	23.9	0.3	598.5	594.3	4.2	0
Total Intragovernmental Assets	\$ 5,270.0	\$ 38,283.3	\$ 2,935.9	\$ 370,106.4	\$ 5,620.7	\$ 364,485.7	\$ 344,875.1
Cash and Other Monetary Assets	\$ 4.0	\$ 52.9	\$ 142.0	\$ 1,014.1	\$ 0.0	\$ 1,014.1	\$ 420.9
Accounts Receivable	1,028.3	431.2	290.4	4,613.8	0.0	4,613.8	4,714.2
Inventory and Related Property	54.7	2,437.1	9,965.3	205,406.2	0.0	205,406.2	139,067.5
General Property, Plant and Equipment	34,818.3	5,439.1	3,983.5	113,826.8	0.0	113,826.8	112,520.4
Other Assets	16.2	141.4	267.6	17,834.4	0.0	17,834.4	15,136.7
TOTAL ASSETS	\$ 41,191.5	\$ 46,785.0	\$ 17,584.7	\$ 712,801.7	\$ 5,620.7	\$ 707,181.0	\$ 616,734.8
LIABILITIES							
Intragovernmental:							
Accounts Payable	\$ 92.8	\$ 1,037.0	\$ 493.7	\$ 4,914.6	\$ 4,790.2	\$ 124.4	\$ 89.7
Debt	30.5	0.0	67.4	986.5	0.3	986.2	1,080.4
Other Liabilities	1,167.3	932.5	249.4	6,923.1	830.2	6,092.9	5,493.8
Total Intragovernmental Liabilities	\$ 1,290.6	\$ 1,969.5	\$ 810.5	\$ 12,824.2	\$ 5,620.7	\$ 7,203.5	\$ 6,663.9
Accounts Payable	\$ 505.3	\$ 3,006.0	\$ 3,517.1	\$ 22,707.5	\$ 0.0	\$ 22,707.5	\$ 19,575.4
Military Retirement Benefits and Other Employment-Related Actuarial Liabilities	0.0	583,998.6	527.5	1,296,210.7	0.0	1,296,210.7	889,439.1
Environmental Liabilities	0.0	325.3	0.0	63,293.8	0.0	63,293.8	63,213.6
Loan Guarantee Liability	0.0	3.3	0.0	3.3	0.0	3.3	2.1
Other Liabilities	576.5	2,333.6	662.6	28,621.2	0.0	28,621.2	23,858.3
TOTAL LIABILITIES	\$ 2,372.4	\$ 591,636.3	\$ 5,517.7	\$ 1,423,660.7	\$ 5,620.7	\$ 1,418,040.0	\$ 1,002,752.4
NET POSITION							
Unexpended Appropriations	\$ 1,214.9	\$ 32,138.5	(86.6)	163,190.6	0.0	163,190.6	155,758.4
Cumulative Results of Operations	37,604.2	(576,989.8)	12,153.6	(874,049.6)	0.0	(874,049.6)	(541,776.0)
TOTAL NET POSITION	\$ 38,819.1	\$ (544,851.3)	\$ 12,067.0	\$ (710,859.0)	\$ 0.0	\$ (710,859.0)	\$ (386,017.6)
TOTAL LIABILITIES AND NET POSITION	\$ 41,191.5	\$ 46,785.0	\$ 17,584.7	\$ 712,801.7	\$ 5,620.7	\$ 707,181.0	\$ 616,734.8

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF NET COST
Year Ended September 30, 2001**

(\$ in millions)	General Funds			Working Capital Funds			Military Retirement Fund
	Army	Navy	Air Force	Army	Navy	Air Force	
Program Costs							
Military Personnel							
Intragovernmental	\$ 5,110.5	\$ 4,449.6	\$ 3,341.2	\$ -	\$ -	\$ -	\$ -
With the Public	23,783.7	22,539.2	17,906.1	-	-	-	-
Total Program Costs	\$ 28,894.2	\$ 26,988.8	\$ 21,247.3	\$ -	\$ -	\$ -	\$ -
(Less: Earned Revenue)	(109.0)	(255.8)	(196.7)	-	-	-	-
Net Program Costs	\$ 28,785.2	\$ 26,733.0	\$ 21,050.6	\$ -	\$ -	\$ -	\$ -
Operation and Maintenance							
Intragovernmental	\$ 5,490.1	\$ 16,544.5	\$ 14,586.3	\$ -	\$ -	\$ -	\$ -
With the Public	27,115.2	19,400.1	19,151.2	-	-	-	-
Total Program Costs	\$ 32,605.3	\$ 35,944.6	\$ 33,737.5	\$ -	\$ -	\$ -	\$ -
(Less: Earned Revenue)	(3,064.8)	(2,179.5)	(1,880.8)	-	-	-	-
Net Program Costs	\$ 29,540.5	\$ 33,765.1	\$ 31,856.7	\$ -	\$ -	\$ -	\$ -
Procurement							
Intragovernmental	\$ 221.3	\$ 3,428.5	\$ 487.1	\$ -	\$ -	\$ -	\$ -
With the Public	11,428.0	22,538.3	16,508.2	-	-	-	-
Total Program Costs	\$ 11,649.3	\$ 25,966.8	\$ 16,995.3	\$ -	\$ -	\$ -	\$ -
(Less: Earned Revenue)	(421.2)	(803.4)	(65.8)	-	-	-	-
Net Program Costs	\$ 11,228.1	\$ 25,163.4	\$ 16,929.5	\$ -	\$ -	\$ -	\$ -
Research, Development, Test & Evaluation							
Intragovernmental	\$ 91.2	\$ 2,413.2	\$ 247.0	\$ -	\$ -	\$ -	\$ -
With the Public	7,367.2	7,160.5	14,889.6	-	-	-	-
Total Program Costs	\$ 7,458.4	\$ 9,573.7	\$ 15,136.6	\$ -	\$ -	\$ -	\$ -
(Less: Earned Revenue)	(1,743.8)	(104.0)	(662.6)	-	-	-	-
Net Program Costs	\$ 5,714.6	\$ 9,469.7	\$ 14,474.0	\$ -	\$ -	\$ -	\$ -
Military Construction/Family Housing							
Intragovernmental	\$ 1,957.8	\$ 68.7	\$ 5.7	\$ -	\$ -	\$ -	\$ -
With the Public	296.0	357.9	5,356.6	-	-	-	-
Total Program Costs	\$ 2,253.8	\$ 426.6	\$ 5,362.3	\$ -	\$ -	\$ -	\$ -
(Less: Earned Revenue)	(930.9)	(323.5)	0.0	-	-	-	-
Net Program Costs	\$ 1,322.9	\$ 103.1	\$ 5,362.3	\$ -	\$ -	\$ -	\$ -

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF NET COST
Year Ended September 30, 2001**

(\$ in millions)	General Funds			Working Capital Funds			Military Retirement Fund
	Army	Navy	Air Force	Army	Navy	Air Force	
Program Costs							
Military Retirement Fund							
Intragovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0
With the Public	-	-	-	-	-	-	51,872.1
Total Program Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,872.1
(Less: Earned Revenue)	-	-	-	-	-	-	(40,642.8)
Net Program Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,229.3
Civil Works							
Intragovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With the Public	-	-	-	-	-	-	-
Total Program Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Less: Earned Revenue)	-	-	-	-	-	-	-
Net Program Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital Funds							
Intragovernmental	\$ -	\$ -	\$ -	\$ 1,921.9	\$ 6,189.1	\$ 6,667.5	\$ -
With the Public	-	-	-	4,304.2	14,436.2	9,606.4	-
Total Program Costs	\$ -	\$ -	\$ -	\$ 6,226.1	\$ 20,625.3	\$ 16,273.9	\$ -
(Less: Earned Revenue)	-	-	-	(6,099.7)	(18,977.0)	(11,975.3)	-
Net Program Costs	\$ -	\$ -	\$ -	\$ 126.4	\$ 1,648.3	\$ 4,298.6	\$ -
Other							
Intragovernmental	\$ 582.2	\$ 47.8	\$ 5.2	\$ -	\$ -	\$ -	\$ -
With the Public	321.9	48.6	(3.9)	-	-	-	-
Total Program Costs	\$ 904.1	\$ 96.4	\$ 1.3	\$ -	\$ -	\$ -	\$ -
(Less: Earned Revenue)	(69.2)	(22.0)	(0.1)	-	-	-	-
Net Program Costs	\$ 834.9	\$ 74.4	\$ 1.2	\$ -	\$ -	\$ -	\$ -
Total Program Costs							
Intragovernmental	\$ 13,453.1	\$ 26,952.3	\$ 18,672.5	\$ 1,921.9	\$ 6,189.1	\$ 6,667.5	\$ 0.0
With the Public	70,312.0	72,044.6	73,807.8	4,304.2	14,436.2	9,606.4	51,872.1
Total Program Costs	\$ 83,765.1	\$ 98,996.9	\$ 92,480.3	\$ 6,226.1	\$ 20,625.3	\$ 16,273.9	\$ 51,872.1
(Less: Earned Revenue)	(6,338.9)	(3,688.2)	(2,806.0)	(6,099.7)	(18,977.0)	(11,975.3)	(40,642.8)
Net Program Costs	\$ 77,426.2	\$ 95,308.7	\$ 89,674.3	\$ 126.4	\$ 1,648.3	\$ 4,298.6	\$ 11,229.3
Costs Not Assigned to Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Less: Earned Revenue not attributable to Programs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Costs of Operations	<u>\$ 77,426.2</u>	<u>\$ 95,308.7</u>	<u>\$ 89,674.3</u>	<u>\$ 126.4</u>	<u>\$ 1,648.3</u>	<u>\$ 4,298.6</u>	<u>\$ 11,229.3</u>

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF NET COST
Year Ended September 30, 2001**

(\$ in millions)	USACE	Other Defense GF	Other Defense WCF	Combined	Intra-entity Eliminations	FY 2001 Consolidated	FY 2000 Consolidated
Program Costs							
Military Personnel							
Intragovernmental	\$ -	\$ -	\$ -	\$ 12,901.3	\$ 12,898.2	\$ 3.1	\$ 0.1
With the Public	-	-	-	64,229.0	0.0	64,229.0	61,551.7
Total Program Costs	\$ -	\$ -	\$ -	\$ 77,130.3	\$ 12,898.2	\$ 64,232.1	\$ 61,551.8
(Less: Earned Revenue)	-	-	-	(561.5)	(287.4)	(274.1)	(368.9)
Net Program Costs	\$ -	\$ -	\$ -	\$ 76,568.8	\$ 12,610.8	\$ 63,958.0	\$ 61,182.9
Operation and Maintenance							
Intragovernmental	\$ -	\$ 8,002.9	\$ -	\$ 44,623.8	\$ 38,464.3	\$ 6,159.5	\$ 6,382.4
With the Public	-	410,439.2	-	476,105.7	0.0	476,105.7	102,421.9
Total Program Costs	\$ -	\$ 418,442.1	\$ -	\$ 520,729.5	\$ 38,464.3	\$ 482,265.2	\$ 108,804.3
(Less: Earned Revenue)	-	(980.1)	-	(8,105.2)	(5,176.6)	(2,928.6)	(3,117.4)
Net Program Costs	\$ -	\$ 417,462.0	\$ -	\$ 512,624.3	\$ 33,287.7	\$ 479,336.6	\$ 105,686.9
Procurement							
Intragovernmental	\$ -	\$ 480.0	\$ -	\$ 4,616.9	\$ 4,570.6	\$ 46.3	\$ 77.1
With the Public	-	1,866.2	-	52,340.7	0.0	52,340.7	42,174.3
Total Program Costs	\$ -	\$ 2,346.2	\$ -	\$ 56,957.6	\$ 4,570.6	\$ 52,387.0	\$ 42,251.4
(Less: Earned Revenue)	-	(6.2)	-	(1,296.6)	(821.0)	(475.6)	(135.2)
Net Program Costs	\$ -	\$ 2,340.0	\$ -	\$ 55,661.0	\$ 3,749.6	\$ 51,911.4	\$ 42,116.2
Research, Development, Test & Evaluation							
Intragovernmental	\$ -	\$ 587.1	\$ -	\$ 3,338.5	\$ 3,306.5	\$ 32.0	\$ 12.2
With the Public	-	9,280.2	-	38,697.5	0.0	38,697.5	36,658.2
Total Program Costs	\$ -	\$ 9,867.3	\$ -	\$ 42,036.0	\$ 3,306.5	\$ 38,729.5	\$ 36,670.4
(Less: Earned Revenue)	-	(239.6)	-	(2,750.0)	(2,229.8)	(520.2)	(447.5)
Net Program Costs	\$ -	\$ 9,627.7	\$ -	\$ 39,286.0	\$ 1,076.7	\$ 38,209.3	\$ 36,222.9
Military Construction/Family Housing							
Intragovernmental	\$ -	\$ 92.1	\$ -	\$ 2,124.3	\$ 2,120.8	\$ 3.5	\$ 0.0
With the Public	-	217.3	-	6,227.8	0.0	6,227.8	4,594.0
Total Program Costs	\$ -	\$ 309.4	\$ -	\$ 8,352.1	\$ 2,120.8	\$ 6,231.3	\$ 4,594.0
(Less: Earned Revenue)	-	0.0	-	(1,254.4)	(1,006.1)	(248.3)	(195.4)
Net Program Costs	\$ -	\$ 309.4	\$ -	\$ 7,097.7	\$ 1,114.7	\$ 5,983.0	\$ 4,398.6

Supporting Consolidating and Combining Statements



Department of Defense Agency-wide CONSOLIDATING STATEMENT OF NET COST Year Ended September 30, 2001

(\$ in millions)	USACE	Other Defense GF	Other Defense WCF	Combined	Intra-entity Eliminations	FY 2001 Consolidated	FY 2000 Consolidated
Program Costs							
Military Retirement Fund							
Intragovernmental	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
With the Public	-	-	-	51,872.1	0.0	51,872.1	58,759.6
Total Program Costs	\$ -	\$ -	\$ -	\$ 51,872.1	\$ 0.0	\$ 51,872.1	\$ 58,759.6
(Less: Earned Revenue)	-	-	-	(40,642.8)	(27,459.9)	(13,182.9)	(12,746.6)
Net Program Costs	\$ -	\$ -	\$ -	\$ 11,229.3	\$ (27,459.9)	\$ 38,689.2	\$ 46,013.0
Civil Works							
Intragovernmental	\$ 1,014.5	\$ -	\$ -	\$ 1,014.5	\$ 181.7	\$ 832.8	\$ 516.7
With the Public	3,768.7	-	-	3,768.7	0.0	3,768.7	3,783.0
Total Program Costs	\$ 4,783.2	\$ -	\$ -	\$ 4,783.2	\$ 181.7	\$ 4,601.5	\$ 4,299.7
(Less: Earned Revenue)	(494.3)	-	-	(494.3)	(28.5)	(465.8)	(650.6)
Net Program Costs	\$ 4,288.9	\$ -	\$ -	\$ 4,288.9	\$ 153.2	\$ 4,135.7	\$ 3,649.1
Working Capital Funds							
Intragovernmental	\$ -	\$ -	\$ 3,302.5	\$ 18,081.0	\$ 15,235.2	\$ 2,845.8	\$ 2,457.9
With the Public	-	-	28,291.0	56,637.8	0.0	56,637.8	52,065.0
Total Program Costs	\$ -	\$ -	\$ 31,593.5	\$ 74,718.8	\$ 15,235.2	\$ 59,483.6	\$ 54,522.9
(Less: Earned Revenue)	-	-	(30,096.7)	(67,148.7)	(56,708.3)	(10,440.4)	(8,607.5)
Net Program Costs	\$ -	\$ -	\$ 1,496.8	\$ 7,570.1	\$ (41,473.2)	\$ 49,043.3	\$ 45,915.4
Other							
Intragovernmental	\$ -	\$ 16,911.2	\$ -	\$ 17,546.4	\$ 17,327.8	\$ 218.6	\$ 301.2
With the Public	-	4,605.1	-	4,971.7	0.0	4,971.7	3,129.5
Total Program Costs	\$ -	\$ 21,516.3	\$ -	\$ 22,518.1	\$ 17,327.8	\$ 5,190.3	\$ 3,430.7
(Less: Earned Revenue)	-	(1,737.6)	-	(1,828.9)	(387.3)	(1,441.6)	(1,142.2)
Net Program Costs	\$ -	\$ 19,778.7	\$ -	\$ 20,689.2	\$ 16,940.5	\$ 3,748.7	\$ 2,288.5
Total Program Costs							
Intragovernmental	\$ 1,014.5	\$ 26,073.3	\$ 3,302.5	\$ 104,246.7	\$ 94,105.0	\$ 10,141.7	\$ 9,747.7
With the Public	3,768.7	426,408.0	28,291.0	754,851.0	0.0	754,851.0	365,137.2
Total Program Costs	\$ 4,783.2	\$ 452,481.3	\$ 31,593.5	\$ 859,097.7	\$ 94,105.0	\$ 764,992.7	\$ 374,884.9
(Less: Earned Revenue)	(494.3)	(2,963.5)	(30,096.7)	(124,082.4)	(94,105.0)	(29,977.4)	(27,411.4)
Net Program Costs	\$ 4,288.9	\$ 449,517.8	\$ 1,496.8	\$ 735,015.3	\$ (0.0)	\$ 735,015.3	\$ 347,473.5
Costs Not Assigned to Programs	0.0	0.0	0.0	0.0	0.0	0.0	-
(Less: Earned Revenue not attributable to Programs)	0.0	0.0	0.0	0.0	0.0	0.0	-
Net Costs of Operations	<u>\$ 4,288.9</u>	<u>\$ 449,517.8</u>	<u>\$ 1,496.8</u>	<u>\$ 735,015.3</u>	<u>\$ (0.0)</u>	<u>\$ 735,015.3</u>	<u>\$ 347,473.5</u>

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
Year Ended September 30, 2001**

(\$ in millions)	General Funds			Working Capital Funds			Military Retirement Fund
	Army	Navy	Air Force	Army	Navy	Air Force	
Net Cost of Operations	\$ 77,426.2	\$ 95,308.7	\$ 89,674.3	\$ 126.4	\$ 1,648.3	4,298.6	\$ 11,229.3
Financing Sources (other than exchange revenues):							
Appropriations Used	73,855.9	93,245.4	86,135.1	29.1	145.5	8.4	0.0
Taxes and Other Nonexchange Revenue	209.6	0.0	0.0	0.0	11.4	0.0	0.0
Donations – Nonexchange Revenue	0.0	0.0	5.9	0.0	0.0	0.0	0.0
Imputed Financing	741.6	490.5	586.9	105.0	473.4	124.4	0.0
Transfers – In	162.0	359.1	474.0	6.1	43.8	71.3	0.0
Transfers – Out	0.0	(0.3)	(17.7)	0.0	(7.6)	(41.0)	0.0
Other	17,161.8	0.0	2,236.4	(1,558.9)	771.3	(92.6)	0.0
Total Financing Sources (other than exchange revenues)	\$ 92,130.9	\$ 94,094.7	\$ 89,420.6	\$ (1,418.7)	\$ 1,437.8	\$ 70.5	\$ 0.0
Net Results of Operations	\$ 14,704.7	\$ (1,214.0)	\$ (253.7)	\$ (1,545.1)	\$ (210.5)	\$ (4,228.1)	\$ (11,229.3)
Prior Period Adjustments	\$ (6,556.2)	\$ 31,841.7	\$ 39,005.3	\$ 1,463.8	\$ (1,161.6)	\$ (3,462.5)	\$ 0.0
Net Change in Cumulative Results of Operations	\$ 8,148.5	\$ 30,627.7	\$ 38,751.6	\$ (81.3)	\$ (1,372.1)	\$ (7,690.6)	\$ (11,229.3)
Increase (Decrease) in Unexpended Appropriations	3,008.2	(2,920.2)	3,766.4	(17.2)	0.0	0.0	0.0
Change in Net Position	\$ 11,156.7	\$ 27,707.5	\$ 42,518.1	\$ (98.5)	\$ (1,372.1)	\$ (7,690.6)	\$ (11,229.3)
Net Position – Beginning of the Period	26,515.5	108,718.9	67,221.2	11,905.3	19,090.7	16,474.6	(527,811.7)
Net Position – End of the Period	\$ 37,672.2	\$ 136,426.4	\$ 109,739.2	\$ 11,806.8	\$ 17,718.6	\$ 8,784.0	\$ (539,041.0)

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
Year Ended September 30, 2001**

(\$ in millions)	USACE	Other Defense GF	Other Defense WCF	Combined	Intraentity Eliminations	FY 2001 Consolidated	FY 2000 Consolidated
Net Cost of Operations	\$ 4,288.9	\$ 449,517.8	\$ 1,496.8	\$ 735,015.3	\$ 0.0	\$ 735,015.3	\$ 347,473.5
Financing Sources (other than exchange revenues):							
Appropriations Used	4,310.1	58,274.1	2,533.5	318,537.3	0.0	318,537.3	309,277.3
Taxes and Other Nonexchange Revenue	919.8	0.1	3.2	1,144.1	0.0	1,144.1	954.8
Donations – Nonexchange Revenue	0.3	0.0	0.0	6.2	0.0	6.2	3.8
Imputed Financing	211.6	401.0	287.1	3,421.5	0.0	3,421.5	3,315.0
Transfers – In	1,084.6	16.9	73.7	2,291.5	1,206.8	1,084.7	19.9
Transfers – Out	(777.7)	(212.8)	(927.1)	(1,984.2)	(1,206.8)	(777.4)	(139.0)
Other	(9.0)	(167.8)	(104.4)	18,236.5	0.0	18,236.5	7,973.8
Total Financing Sources (other than exchange Revenues)	\$ 5,739.7	\$ 58,311.5	\$ 1,866.0	\$ 341,652.9	\$ 0.0	\$ 341,652.9	\$ 321,405.6
Net Results of Operations	\$ 1,450.8	\$ (391,206.3)	\$ 369.2	\$ (393,362.4)	\$ 0.0	\$ (393,362.4)	\$ (26,067.9)
Prior Period Adjustments	\$ (846.1)	\$ 558.1	\$ 91.9	\$ 60,934.4	\$ 0.0	\$ 60,934.4	\$ 41,282.0
Net Change in Cumulative Results of Operations	\$ 604.7	\$ (390,648.2)	\$ 461.1	\$ (332,428.0)	\$ 0.0	\$ (332,428.0)	\$ 15,214.1
Increase (Decrease) in Unexpended Appropriations	210.3	5,384.9	(1,845.9)	7,586.6	0.0	7,586.6	(1,263.1)
Change in Net Position	\$ 815.0	\$ (385,263.3)	\$ (1,384.8)	\$ (324,841.4)	\$ 0.0	\$ (324,841.4)	\$ 13,951.0
Net Position – Beginning of the Period	38,004.1	(159,588.0)	13,451.8	(386,017.6)	0.0	(386,017.6)	(399,968.6)
Net Position – End of the Period	\$ 38,819.1	\$ (544,851.3)	\$ 12,067.0	\$ (710,859.0)	\$ 0.0	\$ (710,859.0)	\$ (386,017.6)

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
Year Ended September 30, 2001**

(\$ in Millions)	General Funds			Working Capital Funds		
	Army	Navy	Air Force	Army	Navy	Air Force
BUDGETARY RESOURCES						
Budget Authority	\$ 76,344.2	\$ 95,235.8	\$ 92,717.3	\$ 821.8	\$ 758.5	\$ 511.4
Unobligated Balance - Beginning of the Period	5,970.0	13,624.0	7,105.1	1,352.7	2,089.1	55.6
Net Transfers Prior-Year Balance, Actual	869.6	365.7	(2,130.1)	6.1	43.7	65.5
Spending Authority from Offsetting Collections	11,216.2	5,597.0	5,211.2	5,134.4	21,608.3	15,269.4
Adjustments	9,667.2	1,503.7	(724.3)	196.1	(80.1)	(8.7)
Total Budgetary Resources	<u>\$ 104,067.2</u>	<u>\$ 116,326.2</u>	<u>\$ 102,179.2</u>	<u>\$ 7,511.1</u>	<u>\$ 24,419.5</u>	<u>\$ 15,893.2</u>
STATUS OF BUDGETARY RESOURCES						
Obligations Incurred	\$ 98,364.8	\$ 102,489.9	\$ 94,975.9	\$ 6,005.6	\$ 21,312.9	\$ 15,702.0
Unobligated Balances – Available	4,493.9	12,391.4	6,370.4	1,505.5	3,106.6	191.2
Unobligated Balances – Not Available	1,208.5	1,444.9	832.9	0.0	0.0	0.0
Total Status of Budgetary Resources	<u>\$ 104,067.2</u>	<u>\$ 116,326.2</u>	<u>\$ 102,179.2</u>	<u>\$ 7,511.1</u>	<u>\$ 24,419.5</u>	<u>\$ 15,893.2</u>
OUTLAYS						
Obligations Incurred	\$ 98,364.8	\$ 102,489.9	\$ 94,975.9	\$ 6,005.6	\$ 21,312.9	\$ 15,702.0
Less: Spending Authority From Offsetting Collections and Obligation Adjustments	(21,922.9)	(8,874.6)	(6,483.4)	(5,330.5)	(21,608.3)	(15,270.7)
Obligated Balance, Net – Beginning of the Period	28,485.8	48,385.6	33,410.8	821.7	3,630.9	2,791.0
Obligated Balance Transferred, Net	0.0	0.0	0.0	0.0	0.0	0.0
Less: Obligated Balance, Net – End of the Period	(31,626.6)	(52,333.5)	(37,049.2)	(1,129.5)	(2,421.1)	(3,490.4)
Total Outlays	<u>\$ 73,301.1</u>	<u>\$ 89,667.4</u>	<u>\$ 84,854.1</u>	<u>\$ 367.3</u>	<u>\$ 914.4</u>	<u>\$ (268.1)</u>

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
Year Ended September 30, 2001**

(\$ in Millions)	Military Retirement Fund	USACE	Other Defense GF	Other Defense WCF	FY 2001 Combined	FY 2000 Combined
BUDGETARY RESOURCES						
Budget Authority	\$ 40,662.3	\$ 5,518.3	\$ 64,255.3	\$ 3,006.8	\$ 379,831.7	\$ 353,856.0
Unobligated Balance - Beginning of the Period	154,952.3	1,639.0	11,909.2	3,269.6	201,966.6	192,551.9
Net Transfers Prior-Year Balance, Actual	0.0	(0.5)	(1,150.9)	(915.3)	(2,846.2)	82.8
Spending Authority from Offsetting Collections	0.0	4,504.7	3,049.5	32,198.4	103,789.1	101,358.9
Adjustments	0.0	(17.5)	1,706.5	(1,461.2)	10,781.7	8,223.2
Total Budgetary Resources	<u>\$ 195,614.6</u>	<u>\$ 11,644.0</u>	<u>\$ 79,769.6</u>	<u>\$ 36,098.3</u>	<u>\$ 693,522.9</u>	<u>\$ 656,072.8</u>
STATUS OF BUDGETARY RESOURCES						
Obligations Incurred	\$ 34,204.9	\$ 9,599.4	\$ 66,780.3	\$ 33,611.4	\$ 483,047.1	\$ 454,062.0
Unobligated Balances - Available	161,409.7	2,044.1	10,544.4	2,486.9	204,544.1	195,730.4
Unobligated Balances - Not Available	0.0	0.5	2,444.9	0.0	5,931.7	6,280.4
Total Status of Budgetary Resources	<u>\$ 195,614.6</u>	<u>\$ 11,644.0</u>	<u>\$ 79,769.6</u>	<u>\$ 36,098.3</u>	<u>\$ 693,522.9</u>	<u>\$ 656,072.8</u>
OUTLAYS						
Obligations Incurred	\$ 34,204.9	\$ 9,599.4	\$ 66,780.3	\$ 33,611.4	\$ 483,047.1	\$ 454,062.0
Less: Spending Authority From Offsetting Collections and Obligation Adjustments	0.0	(4,504.7)	(6,071.4)	(32,245.0)	(122,311.5)	(116,761.1)
Obligated Balance, Net - Beginning of the Period	2,898.3	797.6	21,178.8	8,289.7	150,690.2	149,961.2
Obligated Balance Transferred, Net	0.0	0.0	0.0	0.0	0.0	0
Less: Obligated Balance, Net - End of the Period	(3,006.8)	(743.8)	(22,379.8)	(8,285.1)	(162,465.8)	(150,631.9)
Total Outlays	<u>\$ 34,096.4</u>	<u>\$ 5,148.5</u>	<u>\$ 59,507.9</u>	<u>\$ 1,371.0</u>	<u>\$ 348,960.0</u>	<u>\$ 336,630.2</u>

Supporting Consolidating and Combining Statements



**Department of Defense Agency-wide
COMBINING STATEMENT OF FINANCING
Year Ended September 30, 2001**

(\$ in millions)	General Funds			Working Capital Funds		
	Army	Navy	Air Force	Army	Navy	Air Force
OBLIGATIONS AND NONBUDGETARY RESOURCES						
Obligations Incurred	\$ 98,364.8	\$ 102,489.9	\$ 94,975.9	\$ 6,005.6	\$ 21,312.9	\$ 15,702.0
Less: Spending Authority for Offsetting Collections and Obligation Adjustments	(21,922.9)	(8,874.6)	(6,483.4)	(5,330.5)	(21,608.3)	(15,270.7)
Donations Not in the Entity's Budget	0.0	0.0	0.0	0.0	0.0	0.0
Financing Imputed for Cost Subsidies	741.6	490.5	586.9	105.0	473.4	124.4
Transfers – In (Out) – Financing	0.0	353.2	(17.4)	0.0	(7.5)	(1.9)
Less: Exchange Revenue Not in the Entity's Budget	0.0	(22.0)	(2.7)	0.0	0.0	0.0
Nonexchange Revenue Not in the Entity's Budget	0.0	0.0	0.0	0.0	0.0	0.0
Less: Trust or Special Fund Receipts Related to Exchange in the Entity's Budget	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Obligations as Adjusted and Nonbudgetary Resources	\$ 77,183.5	\$ 94,437.0	\$ 89,059.3	\$ 780.1	\$ 170.5	\$ 553.8
RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS						
Change in Amount of Goods, Services, and Benefits Ordered but Not Yet Received – (Increases)/Decrease	\$ (1,693.6)	\$ (142.0)	\$ (2,402.8)	\$ 365.5	\$ 2,802.4	\$ (173.5)
Change in Unfilled Customer Orders	(289.5)	(197.6)	23.3	(697.4)	214.6	455.7
Costs Capitalized on the Balance Sheet – (Increases)/Decreases	(3,730.9)	(656.4)	(4,569.6)	(2,660.7)	(3,013.6)	3,141.1
Financing Sources that Fund Costs of Prior Periods	(106.4)	(65.4)	574.5	(74.9)	(0.3)	126.0
Collections that Decrease Credit Program Receivables or Increase Credit Program Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments for Trust Fund Outlays that Do Not Affect Net Cost	0.0	0.0	0.0	0.0	0.0	0.0
Other – (Increases)/Decreases	0.0	0.0	0.0	0.0	0.0	0.0
Total Resources that Do Not Fund Net Costs of Operations	\$ (5,820.4)	\$ (1,061.4)	\$ (6,374.6)	\$ (3,067.5)	\$ 3.1	\$ 3,549.3
COMPONENTS OF COSTS OF OPERATIONS THAT DO NOT REQUIRE OR GENERATE RESOURCES						
Depreciation and Amortization	\$ 782.6	\$ 714.6	\$ 2,895.3	\$ 85.5	\$ 210.7	\$ 145.8
Bad Debts Related to Uncollectable Noncredit Reform Receivables	(2.3)	32.1	0.0	0.0	0.0	0.0
Revaluation of Assets and Liabilities – (Increases)/(Decreases)	0.0	0.0	(15.8)	1,588.1	1,114.9	3.9
Loss on Disposition of Assets	0.4	0.0	3,291.0	484.7	0.0	2.4
Other – Increases/(Decreases)	0.0	0.0	351.8	0.0	0.0	0.0
Total Costs that Do Not Require Resources	\$ 780.7	\$ 746.7	\$ 6,522.3	\$ 2,158.3	\$ 1,325.6	\$ 152.1
FINANCING SOURCES YET TO BE PROVIDED	\$ 5,282.4	\$ 1,186.4	\$ 467.1	\$ 255.5	\$ 149.0	\$ 43.2
NET COST OF OPERATIONS	<u>\$ 77,426.2</u>	<u>\$ 95,308.7</u>	<u>\$ 89,674.1</u>	<u>\$ 126.4</u>	<u>\$ 1,648.2</u>	<u>\$ 4,298.4</u>



Supporting Consolidating and Combining Statements

Department of Defense Agency-wide COMBINING STATEMENT OF FINANCING Year Ended September 30, 2001

(\$ in millions)	Military Retirement Fund	USACE	Other Defense GF	Other Defense WCF	FY 2001 Combined	FY 2000 Combined
OBLIGATIONS AND NONBUDGETARY RESOURCES						
Obligations Incurred	\$ 34,204.9	\$ 9,599.4	\$ 66,780.3	\$ 33,611.4	\$ 483,047.1	\$ 454,062.0
Less: Spending Authority for Offsetting Collections and Obligation Adjustments	0.0	(4,504.7)	(6,071.4)	(32,245.0)	(122,311.5)	(116,761.1)
Donations Not in the Entity's Budget	0.0	0.3	0.0	0.0	0.3	0
Financing Imputed for Cost Subsidies	0.0	211.6	401.0	287.1	3,421.5	3,315.0
Transfers – In (Out) – Financing	0.0	1.7	0.0	(1,274.5)	(946.4)	1,541.1
Less: Exchange Revenue Not in the Entity's Budget	0.0	(0.7)	(645.7)	(4.7)	(675.8)	(704.5)
Nonexchange Revenue Not in the Entity's Budget	0.0	(26.0)	0.0	0.0	(26.0)	23.1
Less: Trust or Special Fund Receipts Related to Exchange in the Entity's Budget	(40,642.8)	(43.8)	(410.8)	(1.0)	(41,098.4)	(40,018.1)
Other	0.0	0.0	0.0	0.0	0.0	0
Total Obligations as Adjusted and Nonbudgetary Resources	\$ (6,437.9)	\$ 5,237.8	\$ 60,053.4	\$ 373.3	\$ 321,410.8	\$ 301,457.5
RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS						
Change in Amount of Goods, Services, and Benefits Ordered but Not Yet Received – (Increases)/Decrease	\$ 0.0	\$ (281.9)	\$ (1,240.9)	\$ 201.6	\$ (2,565.2)	\$ 8,232.8
Change in Unfilled Customer Orders	0.0	231.3	(131.3)	43.7	(347.2)	(525.9)
Costs Capitalized on the Balance Sheet – (Increases)/Decreases	0.0	(1,540.3)	224.2	(825.3)	(13,631.5)	(16,345.8)
Financing Sources that Fund Costs of Prior Periods	0.0	(28.3)	(538.5)	(36.3)	(149.6)	(16,305.4)
Collections that Decrease Credit Program Receivables or Increase Credit Program Liabilities	0.0	0.0	0.0	0.0	0.0	0
Adjustments for Trust Fund Outlays that Do Not Affect Net Cost	0.0	0.0	0.0	0.0	0.0	0
Other – (Increases)/Decreases	0.0	(390.9)	966.2	1,129.8	1,705.1	10,708.6
Total Resources that Do Not Fund Net Costs of Operations	\$ 0.0	\$ (2,010.1)	\$ (720.3)	\$ 513.5	\$ (14,988.4)	\$ (14,235.7)
COMPONENTS OF COSTS OF OPERATIONS THAT DO NOT REQUIRE OR GENERATE RESOURCES						
Depreciation and Amortization	\$ 0.0	\$ 589.9	\$ 490.4	\$ 539.1	\$ 6,453.9	\$ 4,096.7
Bad Debts Related to Uncollectable Noncredit Reform Receivables	0.9	0.0	0.1	(0.3)	30.5	178.0
Revaluation of Assets and Liabilities – (Increases)/(Decreases)	0.0	170.0	0.0	0.3	2,861.4	10,960.2
Loss on Disposition of Assets	0.0	28.1	6.7	(4.4)	3,808.9	85.5
Other – Increases/(Decreases)	0.9	0.0	0.2	0.0	352.9	(4,595.1)
Total Costs that Do Not Require Resources	\$ 1.8	\$ 788.0	\$ 497.4	\$ 534.7	\$ 13,507.6	\$ 10,725.3
FINANCING SOURCES YET TO BE PROVIDED	<u>\$ 17,665.4</u>	<u>\$ 273.4</u>	<u>\$ 389,687.4</u>	<u>\$ 75.5</u>	<u>\$ 415,085.3</u>	<u>\$ 49,526.4</u>
NET COST OF OPERATIONS	<u>\$ 11,229.3</u>	<u>\$ 4,289.1</u>	<u>\$ 449,517.9</u>	<u>\$ 1,497.0</u>	<u>\$ 735,015.3</u>	<u>\$ 347,473.5</u>

DEPARTMENT OF DEFENSE

***AGENCY-WIDE
FINANCIAL STATEMENTS***

***REQUIRED SUPPLEMENTARY
STEWARDSHIP INFORMATION***

Required Supplementary Stewardship Information



(This page intentionally left blank)

Required Supplementary Stewardship Information



National Defense Property, Plant and Equipment

Narrative Statement

As of the date these statements were prepared, the Federal Accounting Standards Advisory Board (FASAB) had not determined the final reporting requirements for National Defense Property, Plant & Equipment (ND PP&E). The Department cannot comply with existing requirements to report historical or latest acquisition cost of ND PP&E because many of the Department's accountability and logistics systems do not contain this information. These systems were designed to support accountability and logistics requirements and not for capturing the cost of ND PP&E.

Given the complexity of the existing temporary reporting requirements, the enormous cost of implementing these requirements and their temporary nature, the Department is suspending the reporting of ND PP&E information until such time as the FASAB adopts permanent reporting requirements.

DEPARTMENT OF DEFENSE CONSOLIDATED HERITAGE ASSETS For Fiscal Year Ended September 30, 2001					
Categories	Unit of Measure	As of 10/01/00	Additions	Deletions	As of 9/30/01
Museums	Each	250	18	11	257
Monuments & Memorials	Each	1,974	30	17	1,987
Cemeteries & Archeological Sites	Sites	25,252	252	48	25,456
Buildings & Structures	Each	19,304	788	531	19,561
Major Collections	Each	3	1	0	4

Narrative Statement

Heritage Assets are PP&E items that are unique due to their historical or natural significance; cultural, educational or artistic importance; and/or significant architectural characteristics. The Fiscal Year 2001 categories are defined as follows:

Museums. Buildings that house collection-type items including artwork, archeological artifacts, archival materials, and other historical artifacts. The primary use of such buildings is the preservation, maintenance and display of collection-type Heritage Assets.

Monuments and Memorials. Sites and structures built to honor and preserve the memory of significant individuals and/or events in history.

Cemeteries and Archeological Sites. Land on which gravesites of prominent historical figures and/or items of significance are located.

Buildings and Structures. Includes buildings and structures that are listed on, or are eligible for listing on, the National Register of Historic Places, including Multi-Use Heritage Assets. These buildings do not include museums.

Required Supplementary Stewardship Information



Major Collections. Significant collections that are maintained outside of a museum.

The processes used to establish items as having heritage significance vary between categories and type of assets. Subject matter experts, criteria such as listing on the National Register of Historic Places, and federal statutes, play a significant role in characterizing these assets.

The condition assessment of Heritage Assets is based on whether the assets are being cared for and safeguarded in accordance with relevant regulations. The Department's Heritage Assets are in acceptable or good condition and are appropriately safeguarded.

Multi-Use Heritage Assets are reported both as Heritage Assets and on the Balance Sheet.

Supplemental information pertaining to Army and Air Force Heritage Assets follows.

Department of the Army

In most cases, additions and deletions are the result of installations identifying cemeteries and historical facilities located on their installations as a result of Chief Financial Officer audits.

Department of the Air Force

The United States Air Force (USAF) Museum, located at Wright-Patterson Air Force Base, Ohio, houses the main collection of historical artifacts that are registered as historical property in the USAF Museum System. The other Air Force museums are considered Air Force Field Museums or Heritage Centers, which also contain items of historical interest; some however, are specific to the general locality.

The memorials and monuments reported by the Air Force, except for 28, are all located at the Air Force Academy in the Air Gardens and Honor Court. Most of these monuments and memorials honor specific individuals or cadet wings for various accomplishments. The remaining 28 memorials, are located on various Air Force bases throughout the United States (U.S.).

The Air Force has administrative and custodial responsibilities for 39 cemeteries on its bases. The cemeteries are maintained by the bases and are in good condition. The Air Force has 1,518 listed archeological sites. The Air Force also has 10,362 potentially eligible archeological sites that are not listed on this report.

The Air Force currently considers 4,340 buildings and structures as heritage assets. Most of these buildings and structures are considered Multi-use Heritage Assets and, as such, have also been reported as General PP&E on the Balance Sheet. The buildings and structures are maintained by each base civil engineering group and are considered to be in good condition.

The Air Force has 4 significant or major collections consisting of: (a) the Air Force Art Collection, and (b) three collections at the Air Force Academy containing historical items and memorabilia as well as distinctive works of art. During FY 2001, the Air Force Academy identified the Gimbel collection as a significant collection to be reported separately. The Air Force Art collection consists of original oils, drawings, sketches and sculptures. The major collections beginning balance of eight collections (FY 2000 ending balance) has been restated based on a change in policy. The Air Force now considers five heritage centers and their content as museums rather than collections.

Required Supplementary Stewardship Information



DEPARTMENT OF DEFENSE CONSOLIDATED STEWARDSHIP LAND For Fiscal Year Ended September 30, 2001 (Acres in Thousands)				
Land Use	As of 10/01/00	Additions	Deletions	As of 9/30/01
1. Mission	16,817	665	638	16,844
2. Parks and Historic Sites	1			1
Totals	16,818	665	638	16,845

Narrative Statement

Stewardship Land is land that is not acquired for, or in connection with, items of General PP&E. All land, regardless of its use, provided to the Department from the Public Domain, or at no cost, is classified as Stewardship Land. Stewardship Land is reported in physical units (acres) rather than cost or fair value.

Stewardship Land transactions during the year consisted of additions through donations and the identification of missing land records and deletions through the disposal of property through the Base Realignment and Closure process.

DEPARTMENT OF DEFENSE CONSOLIDATED NONFEDERAL PHYSICAL PROPERTY Annual Investments in State and Local Governments For Fiscal Years 1997 through 2001 (In Millions of Dollars)					
Categories	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Transferred Assets:					
National Defense Mission Related	\$ 38	\$ 34	\$ 20	\$ 5	\$95
Funded Assets:					
National Defense Mission Related	-	-	\$ 17	\$ 7	\$20
Grand Total	\$ 38	\$ 34	\$ 37	\$12	\$115

Narrative Statement

Investments in Nonfederal Physical Property are incurred by the Department for the purchase, construction, or major renovation of physical property owned by state and local governments, including major additions, alterations, and replacements; the purchase of major equipment; and the purchase or improvement of other physical assets. In addition, Nonfederal Physical Property Investments include federally owned physical property transferred to state and local governments.

Required Supplementary Stewardship Information



Investment values included in this report are based on Non-Federal Physical Property outlays (expenditures). Outlays are used because current Department of Defense systems are unable to capture and summarize costs in accordance with the FASAB requirements.

Department of the Army

The total amount of reported transferred asset values are for noncash items that were transferred to state and local governments by the Department of the Army. These properties are essential in accomplishing the mission of the Army National Guard. The Army National Guard funds maintenance costs for these nonfederal assets.

Department of the Air Force

The total amount of reported funded asset values are Air National Guard investments in Military Construction Cooperative Agreements. These agreements involve the transfer of funds and allow joint participation with states, counties, and airport authorities for construction or repair of airfield pavements and facilities required to support the flying mission assigned to civilian airfields.

DEPARTMENT OF DEFENSE CONSOLIDATED INVESTMENTS IN RESEARCH AND DEVELOPMENT Annual Investments in Research and Development For Fiscal Years 1997 through 2001 (In Millions of Dollars)					
Categories	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
1. Basic Research	\$1,479	\$ 1,258	\$ 1,115	\$ 812	\$1311
2. Applied Research	2,617	2,756	2,985	3,095	3,843
3. Development					
A. Advanced Technology Development	4,227	3,861	4,444	3,753	4,383
B. Demonstration and Validation	5,698	6,762	6,564	6,557	8,166
C. Engineering and Manufacturing Development	8,435	8,336	7,934	8,353	8,831
D. Research, Development, Test & Evaluation Management Support	3,409	3,331	3,146	2,954	2,946
E. Operational Systems Development	9,724	9,850	9,801	10,124	11,000
4. Other	1,732	1,585	1,636	1,906	-
Total	\$ 37,321	\$ 37,739	\$ 37,625	\$37,554	\$40,480

Required Supplementary Stewardship Information



Narrative Statement

The DoD Research and Development programs are classified in the following categories:

Basic Research is the systematic study to gain knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications, processes, or products in mind. Basic Research involves the gathering of a fuller knowledge or understanding of the subject under study. Major outputs are scientific studies and research papers.

Applied Research is the systematic study to gain knowledge or understanding necessary for determining the means by which a recognized and specific need may be met. This research points toward specific military needs with a view toward developing and evaluating the feasibility and practicality of proposed solutions. Major outputs are scientific studies, investigations, and research papers, hardware components, software codes, and limited construction of, or part of, a weapon system to include nonsystem specific development efforts.

Development takes what has been discovered or learned from basic and applied research and uses it to establish technological feasibility, assessment of operability and production capability. Development is comprised of five stages defined below:

1. Advanced Technology Development is the systematic use of the knowledge or understanding gained from research directed toward proof of technological feasibility and assessment of operational and producibility rather than the development of hardware for service use. Employs demonstration activities intended to prove or test a technology or method.
2. Demonstration and Validation evaluates integrated technologies in as realistic an operating environment as possible to assess the performance or cost reduction potential of advanced technology. Programs in this phase are generally system specific. Major outputs of Demonstration and Validation are hardware and software components, or complete weapon systems, ready for operational and developmental testing and field use.
3. Engineering and Manufacturing Development concludes the program or project and prepares it for production. It consists primarily of preproduction efforts, such as logistics and repair studies. Major outputs are weapons systems finalized for complete operational and developmental testing.
4. Research, Development, Test and Evaluation (RDT&E) Management Support is support for installations and operations for general research and development use. This category includes costs associated with test ranges, military construction, maintenance support for laboratories, operations and maintenance of test aircraft and ships, and studies and analyses in support of the Research and Development program.
5. Operational Systems Development is concerned with development projects in support of programs or upgrades still in engineering and manufacturing development, which have received approval for production, for which production funds have been budgeted in subsequent fiscal years.

Investment values included in this report are based on RDT&E outlays (expenditures). Outlays are used because current DoD systems are unable to capture and summarize costs in accordance with the FASAB requirements.

Required Supplementary Stewardship Information



Representative program examples for each of the major Research and Development categories are provided below:

Department of the Army

Basic Research

Defense Research Sciences: This program sustains scientific and technological superiority in U.S. Army land warfighting capability, provides new concepts and technologies for the Army's Objective Force and enables technologies that can significantly improve joint warfighting capabilities. The in-house program capitalizes on the Army's scientific talent and specialized facilities to expeditiously transition knowledge and technology into the appropriate developmental activities. The balance of the program leverages the research efforts of other government agencies, academia, and industry. Projects provide fundamental knowledge for the solution of military problems related to long-term national security needs.

University and Industry Research Centers: This program leverages research in the private sector through Federated Laboratories, Collaborative Technology Alliances (CTA), Centers of Excellence, and the University Affiliated Research Centers. A significant portion of the work performed within this program directly supports Objective Force requirements, providing the enabling technologies, which will make Objective Force equipment development possible. CTA are innovative alliances among government, industry and academic organizations, built to exploit scientific and technological breakthroughs and to transition them to exploratory development and applied research. The CTAs will be competitively established in the areas of Advanced Sensors, Advanced Decision Architecture, Communications and Networks, Power and Energy, and Robotics.

Applied Research

Combat Vehicle and Automotive Technology: This program develops component technology to improve automotive and survival capabilities of Army ground vehicle systems for the Objective Force and funds a portion of the Army's share of the Army/Defense Advanced Research Projects Agency (DARPA) collaborative Future Combat Systems (FCS) program. Funding supports both the FCS design and demonstration activities, and critical enabling technologies at the DARPA. To achieve the Army vision, systems must be more strategically deployable and agile, with a smaller logistical footprint. These lighter ground vehicles must also be more lethal, survivable, and tactically mobile.

Medical Technology: This program supports focused research consistent with the "Medical" "Survivability" and "Future Warrior" technology areas of the Objective Force. The primary goal is to sustain medical technology superiority, and improve protection for and survivability of U.S. forces. This program funds research into medical protection against naturally occurring diseases, combat dentistry, the Department of Army care of combat casualties, health hazard assessments, and medical factors enhancing soldier effectiveness.

Development

Comanche: This program provides for the development, operational testing and evaluation of the RAH-66 Comanche and the T800-801 growth engine. The Comanche is a multimission aircraft optimized for the critical battlefield mission of tactical armed reconnaissance. It provides a globally self-deployable attack platform for light/contingency forces. Comanche provides the solution to reconnaissance deficiencies (i.e. no night/adverse weather/high/hot/stand-off capability) and is a key component on the digitized battlefield in winning the information war. The Comanche is the Army's technology leader and provides significant horizontal technology transfer within the Army and DoD. This program also provides for the continued development and qualification of the T800-801 growth engine and air vehicle support for integration into the Comanche aircraft.

Required Supplementary Stewardship Information



Artillery Systems: This program supports efforts for the Crusader Advanced Development Program. The Crusader system is the Army's next generation self-propelled howitzer and Artillery Resupply Vehicle and is the first installment of the Objective Force in the Army Transformation. Crusader has significantly increased capabilities in the areas of lethality, mobility, survivability, resupply, command and control, and sustainability by capitalizing on mature, state-of-the-art technologies.

Department of the Navy

Basic Research

Electrical Power Switching Technology: The advancement of silicon carbide (SiC) technology, which is crucial to all-electric ship power switching devices, previously had been stymied by the inability of researchers to achieve high electron mobility in p-type material. Recently however, the Department of Navy supported researchers at Mississippi State University have demonstrated a ten-fold increase in electron mobility in p-type SiC. This accomplishment takes a major step towards the development of an all-electric ship.

Revolutionary Hearing Protection: A U. S. patent was issued for an invention that introduces antioxidants into the inner ear to promote the prevention or reversal of sensorineural hearing loss. Research to prevent and/or reverse hearing loss and inner ear damage due to noise and toxins is being conducted at the Naval Hospital center, San Diego and is funded by the Office of Naval Research.

Applied Research

Prototype Chemical Agent Detectors: For FY 2001, the Navy awarded contracts to develop two prototype chemical agent detectors, devices which must be inexpensive, portable and must function reliably in a chemically complex battlefield. The detectors are also expected to meet most Joint Chemical Agent Detection specifications and be capable of the following:

- Real-time detection with no preconcentration
- Identifying nerve, mustard, and blood agents by group
- Identifying "novel agents" by individual compound

Unmanned Air Vehicle (UAV): Draper labs and the Navy will research the state of avionics technology for Naval UAVs by developing a technology database, providing technical expertise to determine UAV capabilities and by performing a risk assessment. The cooperative project aims to reduce the need for human intervention during Naval UAV operations in dynamic and unstructured environments.

Development

Dragon Eye Robotic Airborne Sensor System: The Naval Research Lab (NRL) requested proposals to build its *Dragon Eye* airborne sensor system. The device is a man-portable, two-kilogram, hand-launched, fixed wing aerial reconnaissance vehicle. The *Dragon Eye*, which comes with a wearable Ground Control System, will provide Marines with the ability to see over obstacles and terrain.

Nuclear Quadrupole Resonance (NQR): NQR, a physical chemical technique that detects explosives and/or volatile traces buried beneath the surface, has seen limited use in chemistry labs for 50 years. Recently, the NRL has developed a workable NQR system that can find buried mines, regardless of the material they are encased in.

Required Supplementary Stewardship Information



Department of the Air Force

Basic Research

Funding was provided to twelve scientific projects. One of these projects focused on self-healing polymer composites, which will provide longer life for space structures and materials. Another involved the development of tracking algorithms, which will improve tracking of ground moving targets.

Applied Research

The Air Force's Applied Research program is developing technologies to support both an air and space force of the future. Technology developments are focused in those areas that are essential to future warfighting capabilities. This investment strategy recognizes the enabling technologies that are being developed by commercial industry and allows the Air Force to focus on those military-relevant technologies that are not being developed by industry. One example is the development of simulations of spontaneous magnetic field generation in plasma. This is a step toward three-dimensional prototyping of high-powered microwave sources. Another example is the cloning of the nitrate reductase gene of the anthrax bacteria into *e. coli*, providing a safe stimulant for the Agent Defeat weapons test program.

Development

The Air Force's Advanced Technology Development program demonstrates, in a realistic operational environment, integrated sets of technology to prove military worth and utility. One technology achievement includes demonstration of automatic intrusion detection environment capabilities at nine operational sites. This provides near-real-time cyber attack warning at local, regional, and global levels. Another achievement includes development of the only certified, nonpetroleum based, environmentally friendly, cost-effective deicer in the world.

Defense Advanced Research Projects Agency (DARPA)

Basic Research

University Opto-Centers: The University Opto-Centers program is establishing multiinvestigator university optoelectronic centers with programs closely coupled to photonic industry researchers to develop and demonstrate chip-scale optoelectronic integration technologies. The development of advanced, chip-scale optoelectronic modules is essential for future, high-performance military sensor and information processing systems. In FY 2001, the program evaluated specific chip-scale integrated module designs and assessed the success of engaging industry commitment to the program.

Magnetic Materials And Devices: Radiation hard, nonvolatile memory is very important for all of the DoD space and strategic systems. The memory currently deployed is heavy, bulky, and very low density; requires an enormous amount of power; and is very costly. The Spin Electronics program is developing magnetic memory and magnetic sensors based on the Giant Magneto-Resistance and Spin Dependent Tunneling effects in multilayer sandwiches of magnetic and nonmagnetic materials. This program has made significant progress in developing nonvolatile, radiation hard, random access, high speed, low power, high density magnetic memory that is expected to fulfill the DoD's requirements as well as compete with mainstream volatile and nonvolatile semiconductor memories. In FY 2001, the program demonstrated that spin information could propagate across boundaries between different semiconductors in a heterostructure without any loss of spin information.

Applied Research

Consequence Management: The DARPA Consequence Management program developed the Enhanced Consequence Management Planning and Support System (ENCOMPASS) for management of

Required Supplementary Stewardship Information



multisite Biological Warfare (BW) incidents. The ENCOMPASS provides accelerated situational awareness for BW events by detecting exposure to agents through an analysis of casualty electronic theater medical records. This system also identifies the most effective logistical support and pathogen-specific resources required to mitigate effects of the attack.

Genomic Sequencing: The DARPA worked with a number of governmental organizations to exploit recent advances in high throughput genetic sequencers to obtain complete genetic information on a number of important pathogens and their nonpathogenic nearest neighbors. This allowed development of an inventory of genes and proteins that distinguish pathogens from non-pathogens to identify pathogenic markers in any guise. This information will be used to provide superior molecular targets and enable new generations of detectors, diagnostics, and therapeutics. The genomic sequencing of high-threat known and potential biowarfare agents was completed during FY 2001.

Development

Affordable Moving Surface Target Engagement: The DARPA's Affordable Moving Surface Target Engagement (AMSTE) program is developing a network-centric targeting approach that will couple standoff airborne radar sensors and low-cost weapons in a real-time engagement network. Under the AMSTE approach, data from multiple airborne ground moving target indicator (GMTI) radar sensors are fused to provide weapons with real-time target position updates while in-flight. The AMSTE will provide a new strike capability to engage moving surface threats from standoff ranges, in all weathers, using affordable precision-guided munitions. In FY 2001, the AMSTE program demonstrated for the first time the ability to precisely engage moving surface targets with low-cost, precision stand-off guided weapons.

Genoa: Project Genoa provides the structured argumentation, decision making and corporate memory needed to rapidly deal with and adjust to dynamic crisis management. The project has completed development of future scenario generation and tailored presentation tools, and has developed and validated emerging concepts of collective reasoning applied to the asymmetric threat.

Required Supplementary Stewardship Information



(This page intentionally left blank)

DEPARTMENT OF DEFENSE

***AGENCY-WIDE
FINANCIAL STATEMENTS***

***REQUIRED
SUPPLEMENTARY
INFORMATION***

Required Supplementary Information



(This page intentionally left blank)

Required Supplementary Information



Disaggregated Statement of Budgetary Resources

Department of Defense Agency-wide
For the Year Ended September 30, 2001
(\$ in millions)

	Military Personnel	Operation & Maintenance	Procurement	Research, Development, Test & Evaluation	Military Construction/ Family Housing
BUDGETARY RESOURCES					
Budget Authority	\$ 76,888.3	\$ 116,480.2	\$ 65,907.0	\$ 39,992.6	\$ 5,191.7
Unobligated Balance - Beginning of the Period	1,046.3	5,389.5	16,845.6	4,979.4	3,110.5
Net Transfers Prior-Year Balance, Actual	(152.9)	2,253.7	(2,736.2)	(37.6)	(150.2)
Spending Authority from Offsetting Collections	624.3	14,885.8	1,407.7	4,160.1	2,471.4
Adjustments	3,944.2	7,403.3	(732.6)	695.1	777.8
Total Budgetary Resources	<u>\$ 82,350.2</u>	<u>\$ 146,412.5</u>	<u>\$ 80,691.5</u>	<u>\$ 49,789.6</u>	<u>\$ 11,401.2</u>
STATUS OF BUDGETARY RESOURCES					
Obligations Incurred	\$ 81,817.0	\$ 141,658.3	\$ 62,528.9	\$ 45,104.3	\$ 8,510.9
Unobligated Balances – Available	67.0	1,845.8	17,654.6	4,500.1	2,714.7
Unobligated Balances – Not Available	466.2	2,908.5	508.0	185.2	175.7
Total Status of Budgetary Resources	<u>\$ 82,350.2</u>	<u>\$ 146,412.6</u>	<u>\$ 80,691.5</u>	<u>\$ 49,789.6</u>	<u>\$ 11,401.3</u>
OUTLAYS					
Obligations Incurred	\$ 81,817.0	\$ 141,658.3	\$ 62,528.9	\$ 45,104.3	\$ 8,510.9
Less: Spending Authority From Offsetting Collections and Obligation Adjustments	(5,114.5)	(24,047.6)	(3,135.2)	(5,706.4)	(3,324.2)
Obligated Balance, Net – Beginning of the Period	3,692.8	38,320.0	61,326.4	18,104.2	4,996.9
Obligated Balance Transferred, Net	0.0	0.0	0.0	0.0	0.0
Less: Obligated Balance, Net – End of the Period	(6,418.7)	(40,212.8)	(67,016.9)	(18,941.7)	(5,985.4)
Total Outlays	<u>\$ 73,976.6</u>	<u>\$ 115,717.9</u>	<u>\$ 53,703.2</u>	<u>\$ 38,560.4</u>	<u>\$ 4,198.2</u>

Required Supplementary Information



Disaggregated Statement of Budgetary Resources

Department of Defense Agency-wide
For the Year Ended September 30, 2001
(\$ in millions)

	Military Retirement Fund	Other General Funds	USACE (Civil Works)	Working Capital Funds	FY 2001 Combined Total	FY 2000 Combined Total
BUDGETARY RESOURCES						
Budget Authority	\$ 40,662.3	\$ 24,092.8	\$ 5,518.3	\$ 5,098.5	\$ 379,831.7	\$ 353,856.0
Unobligated Balance - Beginning of the Period	154,952.3	7,236.9	\$ 1,639.0	\$ 6,767.0	\$ 201,966.5	\$ 192,551.8
Net Transfers Prior-Year Balance, Actual	0.0	(1,222.3)	(0.5)	(800.0)	(2,846.0)	82.8
Spending Authority from Offsetting Collections	0.0	1,524.5	4,504.7	74,210.5	103,789.0	101,359.0
Adjustments	0.0	65.2	(17.5)	(1,353.9)	10,781.6	8,223.3
Total Budgetary Resources	<u>\$ 195,614.6</u>	<u>\$ 31,697.1</u>	<u>\$ 11,644.0</u>	<u>\$ 83,922.1</u>	<u>\$ 693,522.8</u>	<u>\$ 656,072.9</u>
STATUS OF BUDGETARY RESOURCES						
Obligations Incurred	\$ 34,204.9	\$ 22,991.6	\$ 9,599.4	\$ 76,631.9	\$ 483,047.2	\$ 454,062.2
Unobligated Balances - Available	161,409.6	7,018.0	2,044.1	7,290.2	204,544.1	195,730.3
Unobligated Balances - Not Available	0.0	1,687.5	0.5	0.0	5,931.6	6,280.4
Total Status of Budgetary Resources	<u>\$ 195,614.5</u>	<u>\$ 31,697.1</u>	<u>\$ 11,644.0</u>	<u>\$ 83,922.1</u>	<u>\$ 693,522.9</u>	<u>\$ 656,072.9</u>
OUTLAYS						
Obligations Incurred	\$ 34,204.9	\$ 22,991.6	\$ 9,599.4	\$ 76,631.9	\$ 483,047.2	\$ 454,062.2
Less: Spending Authority From Offsetting Collections and Obligation Adjustments	0.0	(2,024.4)	(4,504.7)	(74,454.5)	(122,311.5)	(116,761.2)
Obligated Balance, Net - Beginning of the Period	2,898.3	5,020.7	797.6	15,533.2	150,690.1	149,961.3
Obligated Balance Transferred, Net	0.0	0.0	0.0	0.0	0.0	0.0
Less: Obligated Balance, Net - End of the Period	(3,006.8)	(4,813.5)	(743.8)	(15,326.1)	(162,465.7)	(150,632.0)
Total Outlays	<u>\$ 34,096.4</u>	<u>\$ 21,174.4</u>	<u>\$ 5,148.5</u>	<u>\$ 2,384.5</u>	<u>\$ 348,960.1</u>	<u>\$ 336,630.3</u>

Required Supplementary Information



General Property, Plant, and Equipment Real Property Deferred Maintenance

General Property, Plant, and Equipment
Real Property Deferred Maintenance
As of September 30, 2001
(Dollars in Millions)

Annual Deferred Sustainment¹ – FY2001

Property Type	Required	Actual	Difference	Restoration Prior	Restoration Ending
Buildings & Structures	6,023	4,222	1,801		

Annual Deferred Sustainment Trend

Property Type	FY 2000	FY 2001			
Buildings & Structures	1,051	1,801			

Narrative Statement

As reported last year, the Department of Defense (DoD) is in the process of improving its methods and metrics for computing “deferred maintenance” on buildings and structures and for tracking the effects of the deferral. The DoD reports the annual “deferred sustainment,” which includes the maintenance and scheduled repairs that have been deferred. The DoD is tracking “restoration” costs – the costs to restore existing properties to adequate performance – separately since there is no direct 1-to-1 relationship between deferred sustainment and restoration requirements. The Department hopes to complete the ongoing review of restoration requirements by the end of calendar year 2002. Once that review is complete and cost estimates are standardized, DoD will be able to report the “restoration” requirement in the annual financial statements.

Sustainment requirements in the DoD are computed using a standard Facilities Sustainment Model (FSM), which in turn is based on standard commercial benchmarks unique to individual facility types. The benchmarks are unit costs (i.e., an annual sustainment requirement in dollars for one unit [such as one square foot] of one type of facility and adjusted for each specific location). The benchmarks are published in the *DoD Facilities Cost Factors Handbook, Version 3.0*, dated April 2001. This methodology is the equivalent of a life cycle costing approach, which is recognized as an acceptable approach within the federal-wide accounting standard.

While the FSM is a life cycle based approach for sustainment, the methods for developing the restoration requirement are oriented around condition assessment. The basis of the DoD’s restoration requirement is documented in the Department’s *Quarterly Readiness Report to Congress*, for October – December 2000. That report shows that 69 percent of the facilities in the current inventory are rated C-3 (have serious problems) or C-4 (do not support the mission). The DoD’s initial estimates for these restoration costs are contained in another report to Congress: *Identification of the Requirements to Reduce the Backlog of Maintenance and Repair of Defense Facilities*, dated April 2001.

The new methodology did not exist prior to FY 2002, so the tables above contain estimates for FY 2000 and FY 2001.

¹ Operations and Maintenance Accounts.

Required Supplementary Information



National Defense Property, Plant and Equipment Deferred Maintenance

As of September 30, 2001
(\$ in Millions)

Major Type

1. Aircraft	\$	374.4
2. Ships		252.2
3. Missiles		106.1
4. Combat Vehicles		62.6
5. Other Weapons Systems		335.2
6. Total	\$	<u>1,130.5</u>

Narrative Statement

The amounts reported are consistent with amounts reported in the Department's budget submission to the Congress. The Military Departments determine depot maintenance requirements for National Defense PP&E as they develop their annual budgets and consider a series of factors on an individual item basis. These factors include changes in the fleet size or in-use inventory; the date of last overhaul or operating hours since last overhaul; the current maintenance engineering plan expressed as a time interval or as an operational factor; and the planned operational tempo expressed in miles, flying hours, or steaming hours. Costing models are then applied to determine depot-level maintenance costs for each type of National Defense PP&E and total cost for each major program. Fiscal constraints determine requirements that are funded.

The Department is continuing its efforts to develop and provide more detailed reporting guidance and to improve the deferred maintenance requirements generation process. The Department has hired a contractor that is providing assistance to better define deferred maintenance definitions, methodologies, and reporting requirements. Accordingly, the Department expects to improve the consistency between the DoD Components and the reliability of deferred maintenance amounts reported in future financial statements.



Required Supplementary Information

Segment Information

As of September 30, 2000

(\$ in Millions)

PART A.

	Defense Information Systems Agency	Defense Commissary Agency	Joint Logistics Systems Command	Defense Security Service	Defense Logistics Agency	Defense Finance and Accounting Service	U.S. Transportation Command	Total
1. Fund Balance	\$ 0.0	\$ 128.4	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 361.9	\$ 490.3
2. Accounts Receivable	316.3	66.2	0.0	0.4	979.4	107.4	615.4	2,085.0
3. Property Plant and Equipment	297.8	17.7	117.0	0.0	1,216.1	909.2	1,424.2	3,982.1
4. Other Assets	0.3	450.4	0.0	0.3	9,842.9	.1	51.8	10,345.8
5. TOTAL ASSETS	<u>\$ 614.4</u>	<u>\$ 662.7</u>	<u>\$ 117.0</u>	<u>\$ 0.7</u>	<u>\$ 12,038.4</u>	<u>\$ 1,016.7</u>	<u>\$ 2,453.3</u>	<u>\$ 16,903.2</u>
6. Liabilities Due and Payable for Goods and Services Received	\$ 569.0	\$ 534.5	\$ 6.2	\$ 110.8	\$ 1,966.3	\$ 177.4	\$ 818.1	\$ 4,182.3
7. Deferred Revenue	0.0	0.0	0.0	0.0	181.5	0.0	1.8	183.3
8. Other Liabilities	43.1	332.8	0.4	31.3	424.1	132.6	357.6	1,321.7
9. TOTAL LIABILITIES	<u>\$ 612.1</u>	<u>\$ 867.3</u>	<u>\$ 6.6</u>	<u>\$ 142.1</u>	<u>\$ 2,571.9</u>	<u>\$ 310.0</u>	<u>\$ 1,177.5</u>	<u>\$ 5,687.3</u>
10. Unexpended Appropriations	\$ 0.0	\$ (76.9)	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ (76.9)
11. Cumulative Results of Operations	2.3	(127.6)	110.4	(141.6)	9,466.6	706.6	1,275.9	11,292.7
12. TOTAL NET POSITION	<u>\$ 2.3</u>	<u>\$ (204.5)</u>	<u>\$ 110.4</u>	<u>\$ (141.6)</u>	<u>\$ 9,466.6</u>	<u>\$ 706.6</u>	<u>\$ 1,275.9</u>	<u>\$ 11,215.8</u>
13. TOTAL LIABILITIES AND NET POSITION	<u>\$ 614.4</u>	<u>\$ 662.8</u>	<u>\$ 117.0</u>	<u>\$ 0.5</u>	<u>\$ 12,038.5</u>	<u>\$ 1,016.6</u>	<u>\$ 2,453.4</u>	<u>\$ 16,903.1</u>

PART B.

1. The Full Cost of Goods and Services Provided	\$ 2,225.8	\$ 6,072.6	\$ 2.2	\$ 480.8	\$ 17,401.9	\$ 1,726.9	\$ 4,406.0	\$ 32,316.3
2. The Related Exchange Revenue	(2,266.2)	(5,089.1)	0.0	(393.0)	(2,722.6)	(1,664.5)	(4,398.3)	(16,533.9)
3. The Excess of Costs Over Exchange Revenue	<u>\$ (40.4)</u>	<u>\$ 983.5</u>	<u>\$ 2.2</u>	<u>\$ 87.8</u>	<u>\$ 14,679.3</u>	<u>\$ 62.4</u>	<u>\$ 7.7</u>	<u>\$ 15,782.4</u>

Amounts are net of intrasegment eliminations

Required Supplementary Information



Narrative Related to Segment Information

Defense Information Systems Agency

The Defense Information Systems Agency (DISA) – Defense Working Capital Fund (DWCF) entities, the Defense Megacenters and the Communications Information Services Activity, provide data processing, and telecommunication and information systems, services and support to the Department of Defense (DoD) and other federal government customers under a revolving fund concept. These funds are represented by fund symbol 97X4930. DISA's major customers are: Army, Navy, Air Force, DFAS and DLA.

Defense Commissary Agency

Commissary Operations Fund finances operations cost for resale stores, command and region headquarters and operations support center. This fund receives appropriated funds annually. Commissary Resale Stocks Fund finances the purchases of inventory for resale items to be sold to commissary patrons. This fund is a major activity group of the DWCF, requiring no appropriated fund support. Revenues from sales are used to replace inventory sold.

Joint Logistics Systems Center

The Assistant Secretary of Defense for Production and Logistics (ASD(P&L)) directed that a Joint Logistics Systems Center (JLSC) be established effective December 31, 1991. The JLSC was established as a separate DWCF business area. The JLSC implements integrated business process improvements by managing the development, integration, implementation and maintenance of the logistics business areas for Depot Maintenance and Supply Management. The JLSC mission requires that it take a central role in the logistics functional area. The JLSC will facilitate, in conjunction with the functional communities, the identification of corporate business improvements, and the appropriate application of Automated Information Systems (AIS) and related technologies to maximize operational effectiveness and achieve cost savings. The JLSC will employ data standardization to support corporate logistics systems design, development, integration, implementation and maintenance. On August 18, 1997, the Acting Under Secretary of Defense (Comptroller) approved the final decisions and approved recommendations resulting from the Working Capital Fund Study Group. Among the decisions was one to terminate JLSC and begin to devolve its programs and responsibilities to the individual components no later than October 1, 1997. The decision included a prohibition of any new starts at JLSC, required the individual activity groups or DWCFs to be responsible for financing the liquidation of any unfunded liabilities remaining at JLSC, and directed the return of any unneeded cash and financial assets not used for paying off program liabilities or program shutdown costs or not needed for the initial deployments of systems developed by JLSC. FY 2001 was the fourth year JLSC operated as a residual activity.

Defense Security Service

Effective October 1, 1998, Defense Security Service (DSS) was transferred from a direct appropriation to a separate activity group in the DWCF. This transfer also reflected a name change from the Defense Investigative Service to the DSS. Full implementation of the DSS as a DWCF began with FY 2000. These activities provide goods and services on a commercial-like basis. Receipts derived from operations generally are available in their entirety for use without further congressional action.

The DSS was chartered to administer two major programs: Personnel Security Investigations (PSI) and National Industrial Security Programs (NISP). The mission of the PSI program is to conduct background investigations on individuals assigned to or affiliated with the Department of Defense. The investigative product which contains information concerning an individual's character, loyalty, emotional stability, and

Required Supplementary Information



reliability, is used to determine if a security clearance should be granted. The purpose of the NISP is to ensure that private industry, while performing on government contracts, properly safeguards classified information in its possession. The DSS also administers the Key Asset Protection Program and the Arms, Ammunition, and Explosives Program.

Defense Logistics Agency

The Defense Logistics Agency (DLA) is a combat support agency responsible for worldwide logistics support throughout the DoD. The primary focus of DLA is to provide logistics support to the war fighter. In addition, DLA provides support to relief efforts during times of national emergency. DLA's major DoD customers are the Army, Navy, and Air Force. Their other major federal government customers are the Department of Agriculture, and the Department of Transportation. The DLA organization has five active entity sub-organizations funded through the DWCF. These sub-organizations are referred to as activity groups and are as follows:

The Supply Management Activity Group (Supply), appropriation symbol 97X4930.5C, helps carry out its mission by procuring, managing and supplying over three billion consumable items to Military Departments, other DoD Components, federal agencies and selected foreign governments.

The Distribution Depot Activity Group (Distribution), appropriation symbol 97X4930.5B, receives, stores and distributes commodities, principal end items, and depot level reparable for the Military Departments, other DoD Components, federal agencies, and selected foreign governments.

The Defense Reutilization and Marketing Service Activity Group (DRMS), appropriation symbol 97X4930.5N, provides utilization services which include receiving, classifying, segregating, demilitarizing, accounting for and reporting excess material for screening, lotting, merchandising, and sale. They also have the mission of hazardous property disposal and the economic recovery of precious metals from excess and surplus precious metal-bearing material. The Information Services Activity Group, appropriation symbol 97X4930.5F50, provides information management support. The mission of this information services business is to provide integrated information management support by delivering products and services of increasing quality and decreasing cost, on time and within budget.

The Defense Automated Printing Service Activity Group (DAPS), appropriation symbol 97X4930.5G, is responsible for document automation and printing within the DoD, encompassing electronic conversion, retrieval, output, and distribution of digital and hardcopy.

Defense Finance and Accounting Service

Defense Finance and Accounting Service (DFAS) was created in 1991. The mission of DFAS is to provide responsive, professional finance and accounting service to the DoD in times of peace and conflict. DFAS has prepared the annual financial statements as required by the CFO Act and the GMRA since 1994.

DFAS's major activities are funded through working capital funds. The DoD expanded the use of businesslike financial management practices through the establishment of the Defense Business Operations Fund (DBOF) on October 1, 1991. On December 11, 1996, the DBOF became the DWCF. The DWCF ("the Fund") operates with financial principles that provide improved cost visibility and accountability to enhance business management and improve the decision making process. The Fund builds on revolving fund principles previously used for industrial and commercial-type activities. The Department's working capital funds include industrial and commercial type transactions. These activities provide supplies and inventories to Defense Department organizations on a commercial basis. Receipts derived from resale operations are normally available to DFAS for use without further congressional action. Transactions are generally recorded on an accrual accounting basis and a budgetary basis.

Required Supplementary Information



Under the accrual method, revenues are recognized when a liability is incurred, without regard to receipt of payment of cash. Budgetary accounting is accomplished through a separate series of general ledger accounts to facilitate compliance with legal and internal control requirements associated with the use of federal funds.

U.S. Transportation Command

Secretary of Defense memorandum, dated February 14, 1992, prescribed the creation of a consolidated service transportation command. United States Transportation Command (USTRANSCOM) represents the single DoD financial manager for all common-user transportation in peace and war. Its components include (1) Headquarters, USTRANSCOM (HQTRANS); (2) Air Mobility Command (AMC); (3) Military Traffic Management Command (MTMC); (4) Military Sealift Command (MSC); and (5) Defense Courier Service (DCS). The Army and Navy continue to manage their own service-unique transportation functions.

Required Supplementary Information



Intragovernmental Amounts

The intragovernmental amounts displayed in the following schedules, parts A; B; and C, represent transactions between the Department of Defense and other federal entities.

Schedule, Part A: DoD Intragovernmental Entity Assets					
Balances reflect amounts on the books of DoD Components in regard to transactions with other federal entities					
(Amounts in Millions)	Treasury Index	Fund Balance with Treasury	Accounts Receivable	Investments:	Other:
Library of Congress	03		\$0.3		
General Accounting Office	05		0.1		
Executive Office of the President, Defense Security Assistance Agency	11		.1		
Department of Agriculture	12		23.7		
Department of Commerce	13		9.6		
Department of the Interior	14		280.1		
Department of Justice	15		69.9		
Department of Labor	16		6.0		\$4.1
United States Postal Service	18		0.9		
Department of State	19		41.8		
Department of the Treasury	20	\$190,129.1	73.1	\$173,288.2	
Office of Personnel Management	24		0.2		
Social Security Administration	28		0.3		
Nuclear Regulatory Commission	31		0.6		
Smithsonian Institution	33		0.1		
Department of Veterans Affairs	36		8.0		
U.S. Equal Employment Opportunity Commission	45		0.1		
General Service Administration	47		59.3		
National Science Foundation	49		1.3		
Federal Emergency Management Agency	58		40.7		
Tennessee Valley Authority	64		0.2		
Federal Maritime Commission	65		0.4		
Environmental Protection Agency	68		39.6		
Department of Transportation	69		157.7		
Agency for International Development	72		11.3		
Department of Health and Human Services	75		9.1		
National Aeronautics and Space Administration	80		77.2		
Armed Forces Retirement Home	84		0.5		
Department of Housing and Urban Development	86		1.9		
Department of Energy	89		37.6		
Selective Service System	90		19.5		
Department of Education	91		1.9		
Independent Agencies	95		90.6		
Total		\$190,129.1	\$1,063.7	\$173,288.2	\$4.1

Required Supplementary Information



Schedule, Part B: DoD Intragovernmental Entity Liabilities				
Balances reflect amounts on the books of DoD Components in regard to transactions with other federal entities				
(Amounts in Millions)	Treasury Index	Accounts Payable:	Debts/Borrowings From Other Agencies:	Other:
Government Printing Office	04	\$0.2		\$0
Executive Office of the President, Defense Security Assistance Agency	11	0		14.5
Department of Agriculture	12	5.1		1.0
Department of Commerce	13	4.0		4.4
Department of the Interior	14	12.7		13.5
Department of Justice	15	3.3		21.5
Department of Labor	16	1.4		1,422.8
Department of State	19	0.4		17.3
Department of the Treasury	20	2.2	\$986.2	4,263.4
Office of Personnel Management	24	39.0		206.7
Nuclear Regulatory Commission	31	0		0.4
Department of Veterans Affairs	36	0.9		0.8
General Service Administration	47	46.4		0.4
National Science Foundation	49	0		0.1
Office of Special Counsel	62	0		1.4
Tennessee Valley Authority	64	4.5		0
Environmental Protection Agency	68	0.5		0.2
Department of Transportation	69	0.5		60.0
Department of Health and Human Services	75	1.1		3.8
National Aeronautics and Space Administration	80	0.2		39.5
Department of Housing and Urban Development	86	0		8.3
Department of Energy	89	2.0		10.5
Department of Education	91	0		1.5
Independent Agencies	95	0		0.7
Total		\$124.4	\$986.2	\$6,092.7

Required Supplementary Information



Schedule, Part C: DoD Intragovernmental Revenues		
Balances reflect amounts on the books of DoD Components in regard to transactions with other federal entities		
(Amounts in Millions)	Treasury Index	Earned Revenue
Library of Congress	03	\$1.7
General Accounting Office	05	0.9
Other Legislative Branch Agencies	09	0.1
The Judiciary	10	0.1
Executive Office of the President, Defense Security Assistance Agency	11	25.9
Department of Agriculture	12	110.9
Department of Commerce	13	29.5
Department of the Interior	14	56.9
Department of Justice	15	294.8
Department of Labor	16	10.4
United States Postal Service	18	3.7
Department of State	19	152.3
Department of the Treasury	20	13,402.9
Resolution Trust Corporation	22	0.1
Office of Personnel Management	24	0.3
Federal Communications Commission	27	0.2
Social Security Administration	28	1.7
Nuclear Regulatory Commission	31	2.2
Smithsonian Institution	33	0.1
Department of Veterans Affairs	36	120.5
U.S. Equal Employment Opportunity Commission	45	0.3
General Service Administration	47	506.3
National Science Foundation	49	52.7
Central Intelligence Agency	56	20.4
Federal Emergency Management Agency	58	37.3
Tennessee Valley Authority	64	0.7
Federal Maritime Commission	65	0.7
Environmental Protection Agency	68	130.3
Department of Transportation	69	1,437.5
Agency for International Development	72	27.5
Department of Health and Human Services	75	184.8
National Aeronautics and Space Administration	80	579.9
Armed Forces Retirement Home	84	1.7
Department of Housing and Urban Development	86	1.1
Department of Energy	89	100.8
Selective Service System	90	11.4
Department of Education	91	0.4
Independent Agencies	95	171.3
Total		\$17,480.3

Required Supplementary Information



Schedule, Part D: DoD Agency-wide Intragovernmental Gross		
(Amounts in Millions)	Budget Function Code	Gross Cost
Department of Defense Military	051	\$9,104.2
Water Resources by U.S. Army Corps of Engineers	301	832.4
Pollution Control and Abatement by U.S. Army Corps of Engineers	304	0.5
Veterans Education, Training, and Rehabilitation by Department of Defense Education Benefits Trust Fund	702	204.8
Total		\$10,141.9

Schedule, Part E: DoD Intragovernmental Nonexchange Revenues			
(Amounts in Millions)	Treasury Index	Revenue Transfers-in	Revenue Transfers-out
Department of Agriculture	12		\$0.1
Department of the Interior	14	\$265.3	7.3
Department of the Treasury	20	809.7	756.8
General Service Administration	47		0.1
Tennessee Valley Authority	64		0.1
Department of Transportation	69		13.0
Department of Energy	89	9.6	
Total		\$1,084.6	\$777.4

DEPARTMENT OF DEFENSE

***AGENCY-WIDE
FINANCIAL STATEMENTS***

***OTHER ACCOMPANYING
INFORMATION***

Other Accompanying Information



(This page intentionally left blank)

Other Accompanying Information



Department of Defense – Appropriations, Funds, and Accounts

Department of the Army:

21*0390	Chemical Agents and Munitions Destruction, Army
21X0810	Environmental Restoration
21*7020	Family Housing, Army Construction
21*7025	Operation & Maintenance, Family Housing
21X1705	National Board for the Promotion of Rifle Practice, Army
21X1805	Salaries and Expenses, Cemeterial Expenses, Army
21*2010	Military Personnel, Army
21*2020	Operation and Maintenance, Army
21*2031	Aircraft Procurement, Army
21*2032	Missile Procurement, Army
21*2033	Procurement of Weapons and Tracked Combat Vehicles, Army
21*2034	Procurement of Ammunition, Army
21*2035	Other Procurement, Army
21*2040	Research, Development, Test, and Evaluation, Army
21*2050	Military Construction, Army
21*2060	National Guard Personnel, Army
21*2065	Operation and Maintenance, Army National Guard
21*2070	Reserve Personnel, Army
21*2080	Operation and Maintenance, Army Reserve
21*2085	Military Construction, Army National Guard
21*2086	Military Construction, Army Reserve
21X4275	Arms Initiative Guaranteed Loan Financing
21X4528	Working Capital Fund, Army Conventional Ammunition
21X5095	Wildlife Conservation, etc., Military Reservations, Army
21X5098	Restoration, Rocky Mountain Arsenal, Army
21X5194	Department of Defense (DoD), 50th Anniversary of World War II Commemoration Account, Army
21X5285	DoD, Forest Products Program, Army
21X5286	National Science Center, Army
21X8063	Bequest of Major General Fred C. Ainsworth Library, Walter Reed Army Medical Center
21X8927	Department of the Army General Gift Fund
21*6xxx	(Nonentity) Deposit Fund Accounts

Department of the Navy:

17X0380	Coastal Defense Augmentation, Navy
17*0703	Family Housing, Navy and Marine Corps
17X0810	Environmental Restoration, Navy
17*1105	Military Personnel, Marine Corps
17*1106	Operation and Maintenance, Marine Corps
17*1107	Operation and Maintenance, Marine Corps Reserve
17*1108	Reserve Personnel, Marine Corps
17*1109	Procurement, Marine Corps
17*1205	Military Construction, Navy
17*1235	Military Construction, Naval Reserve
17X1236	Payments to Kaho'Olawe Island Conveyance, Remediation, and Environmental Restoration Fund, Navy
17*1319	Research, Development, Test, and Evaluation, Navy

Other Accompanying Information



Department of the Navy (Continued):

17*1405	Reserve Personnel, Navy
17*1453	Military Personnel, Navy
17*1506	Aircraft Procurement, Navy
17*1507	Weapons Procurement, Navy
17*1508	Procurement of Ammunition, Navy and Marine Corps
17*1611	Shipbuilding and Conversion, Navy
17*1804	Operation and Maintenance, Navy
17*1806	Operation and Maintenance, Navy Reserve
17*1810	Other Procurement, Navy
17 3041	Recoveries Under the Foreign Military Sales Program
17 3210	General Fund Proprietary Receipts , Defense Military, Not Otherwise Classified
17*4557	National Defense Sealift Fund, Navy
17X5095	Wildlife Conservation, etc., Military Reservations, Navy
17X5185	KahoOlawe Island Conveyance, Remediation and Environmental Restoration Fund, Navy
17X5429	Rossmoor Liquidating Trust Settlement Account
17X8423	Midshipmen's Store, United States Naval Academy
17X8716	Department of the Navy General Gift Fund
17X8723	Ships Stores Profits, Navy
17X8733	United States Naval Academy General Gift Fund
17*6xxx	(Nonentity) Deposit Fund Accounts

Department of the Air Force:

57*0704	Family Housing, Air Force
57*0810	Environmental Restoration, Air Force
57X1999	Unclassified Receipts and Expenditures, Air Force
57*3010	Aircraft Procurement, Air Force
57*3011	Procurement of Ammunition, Air Force
57*3020	Missile Procurement, Air Force
57*3080	Other Procurement, Air Force
57*3300	Military Construction, Air Force
57*3400	Operation and Maintenance, Air Force
57*3500	Military Personnel, Air Force
57*3600	Research, Development, Test, and Evaluation, Air Force
57*3700	Reserve Personnel, Air Force
57*3730	Military Construction, Air Force Reserve
57*3740	Operation and Maintenance, Air Force Reserve
57*3830	Military Construction, Air National Guard
57*3840	Operation and Maintenance, Air National Guard
57*3850	National Guard Personnel, Air Force
57X5095	Wildlife Conservation, etc., Military Reservations, Air Force
57*6xxx	(Nonentity) Deposit Fund Accounts
57X8418	Air Force Cadet Fund
57X8928	Department of the Air Force General Gift Fund

Other Accompanying Information



Department of Defense Working Capital Funds:

97X8097	DoD Military Retirement Fund
97X4930.001	Army Working Capital Fund (WCF)
97X4930.002	Navy WCF
97X4930.003	Air Force WCF
97X4930.005	U.S. Transportation Command (USTRANSCOM) WCF
97X4930.004	Defense Commissary Agency WCF
97X4930.005	Defense Logistics Agency WCF
97X4930.005	Defense Finance and Accounting Service WCF
97X4930.005	Joint Logistics Systems Center WCF
97X4930.005	Management Systems Support Office/Corporate Information Management
97X4930.005	Defense Information Systems Agency WCF
97X4930.005	Defense Technical Information Services Center
97X4930.005	Defense Security Services WCF
97X4930.005	Headquarters Account
97X4930.005	Component Level Adjustment

Note: The USTRANSCOM WCF is included in Other Defense Organizations WCF for financial statement purposes.

Other Defense Organizations:

11X8242	Foreign Military Sales Trust Fund (Cost clearing accounts only)
97*0040	Payments to Military Retirement Fund, Defense
97X0100	Operation and Maintenance, Defense-Wide
97*0100	Operation and Maintenance, Defense-Wide
97*0101	Contingencies, Defense
97*0102	Claims, Defense
97*0103	Base Realignment and Closure Account, Part I, Defense
97*0104	Court of Military Appeals, Defense
97*0105	Drug Interdiction and Counter-Drug Activities, Defense
97*0106	Goodwill Games, Defense
97*0107	Office of the Inspector General
97*0108	Emergency Expenses, Defense Account
97X0110	Persian Gulf Regional Defense Fund, Defense
97*0115	Corporate Information Management (Business Process Reengineering)
97*0116	Summer Olympics, Defense
97*0118	Overseas Contingency Operations Fund
97X0118	Overseas Contingency Operations Fund
97*0130	Defense Health Program, Defense
97*0131	Real Property Maintenance, Defense
97X0132	Claims, Mount Pinatubo, Defense
97*0132	Claims, Mount Pinatubo, Defense
97*0133	Payment to Coast Guard, Defense
97X0134	Former Soviet Union Threat Reduction, Defense
97*0135	Military Training, Equipment and Associated Support Transfer Fund, Defense
97*0136	Depot level Maintenance and Repair Transfer Fund, Defense
97*0137	Spares, Repairs and Associated Logistical Support Transfer Fund, Defense
97*0138	New Horizons Exercise Transfer Fund, Defense
97*0139	Operational Rapid Response Transfer Fund, Defense
97*0140	Military Construction Transfer Fund, Defense
97*0300	Procurement, Defense-Wide
97*0350	National Guard and Reserve Equipment, Defense

Other Accompanying Information



Other Defense Organizations (Continued):

97X0360	Defense Production Act Purchases, Defense
97*0360	Defense Production Act Purchases, Defense
97*0370	North Atlantic Treaty Organization Cooperative Defense Fund
97X0390	Chemical Agents and Munitions Destruction, Defense
97*0390	Chemical Agents and Munitions Destruction, Defense
97X0400	Research, Development, Test, and Evaluation, Defense-Wide
97*0400	Research, Development, Test, and Evaluation, Defense-Wide
97*0450	Developmental Test and Evaluation, Defense
97*0460	Operational Test and Evaluation, Defense
97*0500	Military Construction, Defense-Wide
97X0510	Base Realignment and Closure Account, Part II, Defense
97*0706	Family Housing, Defense-Wide
97*0800	Special Foreign Currency Program, Defense
97X0801	Foreign Currency Fluctuations, Defense
97X0803	Foreign Currency Fluctuation, Construction, Defense
97X0804	North Atlantic Treaty Organization Investment Programs Defense
97X0810	Environmental Restoration, Defense
97X0819	Humanitarian Assistance, Defense
97*0819	Humanitarian Assistance, Defense
97*0827	World University Games, Defense
97*0828	Defense Reinvestment for Economic Growth, Defense
97*0829	World Cup USA, Defense
97*0832	Special Olympics - World Games
97*0834	DoD Family Housing Improvement Fund
97X8035	Defense Export Loan Guarantee Program Account
97X8036	DoD Military Unaccompanied Housing Improvement Program
97X8038	Support for International Sporting Competitions, Defense
97*0839	Quality of Life Enhancement, Defense
97*0840	OPLAN 34A-35 P.O.W. Payment
97*3296	Pinatubo Disaster Relief Fund
97X3910	ADP Equipment Management Fund, Defense
97X4090	Homeowners Assistance Fund, Defense
97*4090	Homeowners Assistance Fund, Defense
97X4093	William Langer Jewel Bearing Plant Revolving Fund, Defense
97*4166	Family Housing Improvement Fund, Direct Loan Financing Account
97*4167	Family Housing Improvement Fund, Guaranteed Loan Financing Account
97*4168	Defense Expense Loan Guarantee Financing Program
97*4179	Reserve Mobilization Fund
97X4555	National Defense Stockpile Transaction Fund, Defense
97X4931	Buildings Maintenance Fund
97X4950	Pentagon Reservation Maintenance Revolving Fund
97X4965	Emergency Response Fund, Defense
97X5187	Defense Cooperation Account, Defense
97X5188	Disposal of Department of Defense Real Property
97X5189	Lease of DoD Real Property
97X5193	DoD Overseas Military Facility Investment Recovery Account
97X5195	Use of Proceeds from the Transfer or Disposition of Commissary Facilities, Defense
97X5196	Theater Missile Defense Cooperation Account, Defense
97X8098	DoD, Education Benefits Fund
97*8164	Surcharge Collections, Sales of Commissary Stores

Other Accompanying Information



Other Defense Organizations (Continued):

97X8165	Foreign National Employees Separation Pay Account, Defense
97X8168	National Security Education Trust Fund
97*8238	Kuwait Civil Reconstruction Trust Fund
97X8311	Uniformed Services University of the Health Sciences Gift Fund
97X8335	Voluntary Separation Incentive Trust Fund
97X8337	Host Nation Support for U.S. Relocation Activities, Defense
97*6xxx	(Nonentity) Deposit Fund Accounts

U.S. Army Corps of Engineers (USACE):

96*1039	Construction, National Parks Service
96*1105	State and Private Forestry, Forest Service
96*2020	Manu'a Islands, Department of Army
96*2050	Levee Restoration Program, Economic Development Administration
96X3112	Flood Control, Mississippi River and Tributaries, Corps of Engineers, Civil
96X3121	General Investigations, Corps of Engineers, Civil
96X3122	Construction, General, Corps of Engineers, Civil
96X3123	Operation and Maintenance, General, Corps of Engineers, Civil
96*3123	Operation and Maintenance, General, Corps of Engineers, Civil
96X3124	General Expenses, Corps of Engineers, Civil
96*3124	General Expenses, Corps of Engineers, Civil
96X3125	Flood Control and Coastal Emergencies, Corps of Engineers, Civil
96*3125	Flood Control and Coastal Emergencies, Corps of Engineers, Civil
96X3126	General Regulator Functions, Corps of Engineers, Civil
96X3128	Washington Aqueduct Capital Improvements, Corps of Engineers (Borrowing Authority)
96*3129	Payments to the South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund
96X3130	Formerly Utilized Sites Remedial Action Program (FUSRAP)
96*4045	Bonneville Power Administration
96X4902	Revolving Fund, Corps of Engineers, Civil
96X5007	Special Recreation Use Fees, Corps of Engineers, Civil
96X5066	Hydraulic Mining in California, Debris Fund
96X5090	Payments to States, Flood Control Act of 1954
96X5125	Maintenance and Operation of Dams and Other Improvements of Navigable Waters
96X5483	San Gabriel Basin Restoration Fund
96X8217	South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund
96X8333	Coastal Wetlands Restoration Trust Fund
96X8861	Inland Waterways Trust Fund
96X8862	Rivers and Harbors Contributed and Advance Funds, Corps of Engineers, Civil
96X8863	Harbor Maintenance Trust Fund
96X8868	Oil Spill Research, Corps of Engineers, Civil Nonentity Funds:
96*6xxx	(Nonentity) Deposit Fund Accounts
96 12X1105	State and Private Forestry, Forest Service
96 13X2050	Economic Development Administration
96 14X1039	Construction National Park Service
96 21X2020	Operation and Maintenance, Army, American Samoa Projects
96 89X4045	Bonneville Power Administration
96 72*1021	Development Assistance, Agency for International Development
96 69X8083	Federal Aid Highways

Note: The USACE is executive agency for the Inland Waterways Trust Fund and the Harbor Maintenance Trust Fund.

Other Accompanying Information



The following are applicable to multiple DoD Reporting Entities:

F3875	Budget Clearing Account (Suspense)
F3878	Budget Clearing Account (Deposits)
F3879	Undistributed Letter of Credit Differences
F3880	Unavailable Check Cancellations and Overpayments
F3885	Undistributed Intra-Governmental Payments
F3886	Civilian Thrift Savings Plan

NOTE: Appropriations shown with an asterisk (*) in the third position of the appropriation symbol indicates the appropriation may be single-year, multi-year or no-year.

NOTE: Appropriations shown with an (X) in the third position of the appropriation symbol indicates the appropriation is a "no-year" appropriation.



Other Accompanying Information

**Funds Appropriated to the President
Administered by the Department of Defense
BALANCE SHEET
As of September 30, 2001
(\$ in Thousands)**

	International Military Education and Training 11*1081	Foreign Military Financing Program Grants 11*1082	Military to Military Contact Program 11*1084
ASSETS			
Fund Balance With Treasury	\$ 51,840	\$ 2,593,615	\$ 0
Accounts Receivable			
Other Assets			
Loans Receivable			
Inventory and Related Property, Net			
Other Assets			
Total Assets	\$ 51,840	\$ 2,593,615	\$ 0
LIABILITIES			
Debt			
Other Liabilities			
Accounts Payable	\$ 14,155	\$ 715	\$ 0
Other Liabilities			
Total Liabilities	\$ 14,155	\$ 715	\$ 0
NET POSITION			
Unexpended Appropriations	\$ 37,685	\$ 2,592,235	\$ 0
Cumulative Results of Operations		665	
Total Net Position	\$ 37,685	\$ 2,592,900	\$ 0
Total Liabilities and Net Position	\$ 51,840	\$ 2,593,615	\$ 0

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.

Other Accompanying Information



**Funds Appropriated to the President
Administered by the Department of Defense
BALANCE SHEET
As of September 30, 2001
(\$ in Thousands)**

	Special Defense Acquisition Fund 11X4116	Foreign Military Loan Liquidating Account 11X4121	Foreign Mil Financing, Direct Loan Financing 11X4122	Military Debt Reduction Financing 11X4174
ASSETS				
Fund Balance With Treasury	\$ 44,713	\$ 0	\$ 145,230	\$ 0
Accounts Receivable				
Other Assets				
Loans Receivable		4,918,709	1,615,700	923
Inventory and Related Property, Net	3,876			
Other Assets	(107,812)			
Total Assets	<u>\$ (59,223)</u>	<u>\$ 4,918,709</u>	<u>\$ 1,760,930</u>	<u>\$ 923</u>
LIABILITIES				
Debt	\$ 0	\$ 4,918,709	\$ 1,690,858	\$ 923
Other Liabilities				
Accounts Payable				
Other Liabilities	\$ (415)	\$	\$ 70,072	
Total Liabilities	<u>\$ (415)</u>	<u>\$ 4,918,709</u>	<u>\$ 1,760,930</u>	<u>\$ 923</u>
NET POSITION				
Unexpended Appropriations	\$ 0	\$ 0	\$ 0	\$ 0
Cumulative Results of Operations	(58,808)			
Total Net Position	<u>\$ (58,808)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities and Net Position	<u>\$ (59,223)</u>	<u>\$ 4,918,709</u>	<u>\$ 1,760,930</u>	<u>\$ 923</u>

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.



Other Accompanying Information

**Funds Appropriated to the President
Administered by the Department of Defense
STATEMENT OF NET COST
For the period ended September 30, 2001
(\$ in Thousands)**

	International Military Education and Training 11*1081	Foreign Military Financing Program Grants 11*1082	Military to Military Contact Program 11*1084	Military Debt Reduction Financing 11X4174
Program Costs:				
Intragovernmental	\$ 0	\$ 0	\$ 0	\$ 122
With the Public	49,345	4,250,195	0	7,939
Total Program Cost	\$ 49,345	4,250,195	\$ 0	\$ 8,061
(Less: Earned Revenues)	0	0	0	(8,061)
Net Program Costs	\$ 49,345	\$ 4,250,195	\$ 0	\$ 0
Costs not Assigned to Programs	0	0	0	0
(Less: Earned Revenues not Attributable to Programs)	0	(250)	0	0
Net Cost of Operations	<u>\$ 49,345</u>	<u>\$ 4,249,945</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Funds Appropriated to the President
Administered by the Department of Defense
CONSOLIDATED STATEMENT OF NET COST
For the period ended September 30, 2001
(\$ in Thousands)**

	Special Defense Acquisition Fund 11X4116	Foreign Military Loan Liquidating Account 11X4121	Foreign Military Financing, Direct Loan Financing 11X4122
Program Costs			
Intragovernmental	\$ 0	\$ 198,507	\$ 129,237
With the Public	151,099	0	0
Total Program Cost	\$ 151,099	\$ 198,507	\$ 129,237
(Less: Earned Revenues)	(132,938)		(129,233)
Net Program Costs	\$ 18,161	\$ 198,507	\$ 4
Costs Not Assigned to Programs	\$ 0	\$ 0	\$ 0
(Less: Earned Revenues Not Attributable to Programs)	0	(198,507)	0
Net Cost of Operations	<u>\$ 18,161</u>	<u>\$ 0</u>	<u>\$ 4</u>

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.



Other Accompanying Information

**Funds Appropriated to the President
Administered by the Department of Defense
STATEMENT OF CHANGES IN NET POSITION
For the period ended September 30, 2001
(\$ in Thousands)**

	International Military Education And Training 11*1081	Foreign Military Financing Program Grants 11*1082	Military to Military Contact Program 11*1084
Net Cost of Operations	\$ 49,344	\$ 4,249,945	\$ 0
Financing Sources (other than exchange revenues)			
Appropriations Used	49,344	4,249,471	0
Transfers-In		240	
(Transfers-Out)		(240)	
Other			
Total Financing Sources (other than exchange revenues)	\$ 49,344	\$ 4,249,471	\$ 0
Net Results of Operations	\$ 0	\$ (474)	\$ 0
Net Change in Cumulative Results of Operations	0	(474)	0
Increase (Decrease) in Unexpended Appropriations	5,183	(680,694)	0
Change in Net Position	\$ 5,183	\$ (681,168)	\$ 0
Net Position-Beginning of the Period	32,502	3,274,068	0
Net Position-End of the Period	\$ 37,685	\$ 2,592,900	\$ 0

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.

Other Accompanying Information



**Funds Appropriated to the President
Administered by the Department of Defense
STATEMENT OF CHANGES IN NET POSITION
For the period ended September 30, 2001
(\$ in Thousands)**

	Special Defense Acquisition Fund 11X4116	Foreign Military Loan Liquidating Account 11X4121	Foreign Military Financing, Direct Loan Financing 11X4122	Military Debt Reduction Financing 11X4174
Net Cost of Operations	\$ 18,161	\$ 0	\$ 4	\$ 0
Financing Sources (other than exchange revenues)				
Appropriations Used		0	4	
(Transfers-Out)	(25,000)			
Other				
Total Financing Sources (other than exchange revenues)	\$ (25,000)	\$ 0	\$ 4	\$ 0
Net Results of Operations	\$ (43,161)	\$ 0	\$ 0	\$ 0
Net Change in Cumulative Results of Operations	(43,161)	0	(18)	0
Increase (Decrease) in Unexpended Appropriations				
Change in Net Position	\$ (43,161)	\$ 0	\$ (18)	\$ 0
Net Position-Beginning of the Period	(15,647)	0	18	0
Net Position-End of the Period	\$ (58,808)	\$ 0	\$ 0	\$ 0

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.



Other Accompanying Information

**Funds Appropriated to the President
Administered by the Department of Defense
STATEMENT OF BUDGETARY RESOURCES
For the period ended September 30, 2001
(\$ in Thousands)**

	International Military Education and Training 11*1081	Foreign Military Financing Program Grants 11*1082	Military to Military Contact Program 11*1084
BUDGETARY RESOURCES			
Budget Authority	\$ 57,875	\$ 3,577,000	\$ 0
Unobligated Balance-Beginning of Period	4,137	425,821	0
Net Transfers Prior-Year Balance, Actual	0	0	0
Spending Authority from Offsetting Collections	0	250	0
Adjustments	352	(7,943)	0
Total Budgetary Resources	<u>\$ 62,364</u>	<u>\$ 3,995,127</u>	<u>\$ 0</u>
STATUS OF BUDGETARY RESOURCES			
Obligations Incurred	\$ 56,434	\$ 3,994,476	\$ 0
Unobligated Balances-Available	3,160	24	0
Unobligated Balances-Not Available	<u>2,770</u>	<u>627</u>	<u>0</u>
Total, Status of Budgetary Resources	<u>\$ 62,364</u>	<u>\$ 3,995,128</u>	<u>\$ 0</u>
OUTLAYS			
Obligations Incurred	\$ 56,434	\$ 3,994,476	\$ 0
Less: Spending Authority From Offsetting Collections and Adj	(3,699)	(530)	0
Obligated Balance, Net-Beginning of Period	42,937	2,849,312	0
Obligated Balance Transferred, Net	0	0	0
Less: Obligated Balance, Net-End of Period	<u>(45,911)</u>	<u>(2,592,963)</u>	<u>0</u>
Total Outlays	<u>\$ 49,761</u>	<u>\$ 4,250,295</u>	<u>\$ 0</u>

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.

Other Accompanying Information



**Funds Appropriated to the President
Administered by the Department of Defense
STATEMENT OF BUDGETARY RESOURCES
For the period ended September 30, 2001
(\$ in Thousands)**

	Special Defense Acquisition Fund 11X4116	Foreign Military Loan Liquidating Account 11X4121	Foreign Military Financing, Direct Loan Financing 11X4122	Military Debt Reduction Financing 11X4174
BUDGETARY RESOURCES				
Budget Authority	\$ 0	\$ 58,000	\$ 209,030	\$ 19
Unobligated Balance-Beginning of Period	46,437		18	
Net Transfers Prior-Year Balance, Actual	(25,000)			
Spending Authority from Offsetting Collections	6,504	559,862	519,303	4,960
Adjustments	556	(576,349)	(390,088)	(1,097)
	<u>28,497</u>	<u>41,513</u>	<u>338,263</u>	<u>3,882</u>
Total Budgetary Resources	<u>\$ 28,497</u>	<u>\$ 41,513</u>	<u>\$ 338,263</u>	<u>\$ 3,882</u>
STATUS OF BUDGETARY RESOURCES				
Obligations Incurred	\$ 2	\$ 41,513	\$ 338,263	\$ 3,882
Unobligated Balances-Available	0			
Unobligated Balances-Not Available	28,495			
	<u>28,497</u>	<u>41,513</u>	<u>338,263</u>	<u>3,882</u>
Total, Status of Budgetary Resources	<u>\$ 28,497</u>	<u>\$ 41,513</u>	<u>\$ 338,263</u>	<u>\$ 3,882</u>
OUTLAYS				
Obligations Incurred	\$ 2	\$ 41,513	\$ 338,263	\$ 3,882
Less: Spending Authority From Offsetting Collections and Adj	(7,060)	(559,862)	(519,303)	(4,960)
Obligated Balance, Net-Beginning of Period	17,296		958,288	0
Obligated Balance Transferred, Net				
Less: Obligated Balance, Net-End of Period	(16,218)		(411,879)	
	<u>(5,980)</u>	<u>(518,349)</u>	<u>365,369</u>	<u>(1,078)</u>
Total Outlays	<u>\$ (5,980)</u>	<u>\$ (518,349)</u>	<u>\$ 365,369</u>	<u>\$ (1,078)</u>

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.



Other Accompanying Information

**Funds Appropriated to the President
Administered by the Department of Defense
STATEMENT OF FINANCING
For the period ended September 30, 2001
(\$ in Thousands)**

	International Military Education And Training 11*1081	Foreign Military Financing Program Grants 11*1082	Military to Military Contact Program 11*1084
OBLIGATIONS AND NONBUDGETARY RESOURCES:			
Obligations Incurred	\$ 56,434	\$ 3,994,476	\$ 0
Less: Spending Authority for Offsetting Collections and Adj. Transfers-In (Out)	(3,699)	(530)	
Less: Exchange Revenue Not in the Entity's Budget			
Other			
Total Obligations as Adjusted and Nonbudgetary Resources	\$ 52,735	\$ 3,993,946	\$ 0
RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS:			
Change in Amount of Goods, Services, and Benefits Ordered but Not Yet Received or Provided – (Increases)/Decreases	\$ (3,390)	\$ 255,999	\$ 0
Costs Capitalized on the Balance Sheet - (Increases)/Decreases			
Financing Sources that Fund Cost of Prior Periods			
Collections that Decrease Credit Program Receivables or Increase Credit Program Liabilities			
Other (Increases)/Decreases			
Total Resources That Do Not Fund Net Costs of Operations	\$ (3,390)	\$ 255,999	\$ 0
COMPONENTS OF COST OF OPERATIONS THAT REQUIRE OR GENERATE RESOURCES			
Depreciation and Amortization			
Bad Debts Related to Uncollectable Non-Credit Reform Receivables			
Revaluation of Assets and Liabilities - Increases/(Decreases)			
Loss of Disposition of Assets			
Other - (Increases)/Decrease			
Total Costs That Do Not Require Resources	\$ 0	\$ 0	\$ 0
FINANCING SOURCES YET TO BE PROVIDED	\$ 0	\$ 0	\$ 0
Net Cost of Operations	\$ 49,345	\$ 4,249,945	\$ 0

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.

Other Accompanying Information



**Funds Appropriated to the President
Administered by the Department of Defense
STATEMENT OF FINANCING
For the period ended September 30, 2001
(\$ in Thousands)**

OBLIGATIONS AND NONBUDGETARY RESOURCES:

Obligations Incurred	\$ 2	\$ 41,513	\$ 338,263	\$ 3,882
Less: Spending Authority for Offsetting Collections and Adj. Transfers-In (Out)	(7,060)	(559,862)	(519,303)	(4,960)
Less: Exchange Revenue Not in the Entity's Budget	(2,668)	95,415	16,792	(3,267)
Other				
Total Obligations as Adjusted and Nonbudgetary Resources	<u>\$ (9,726)</u>	<u>\$ (422,934)</u>	<u>\$ (164,248)</u>	<u>\$ (4,345)</u>

RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS:

Change in Amount of Goods, Services, and Benefits Ordered but Not Yet Received or Provided - (Increases)/Decreases	\$ 1,078	\$ 0	\$ 546,479	\$ 0
Costs Capitalized on the Balance Sheet - (Increases)/Decreases	(3,876)	(41,513)	(755,501)	(4)
Financing Sources that Fund Cost of Prior Periods				
Collections that Decrease Credit Program Receivables or Increase Credit Program Liabilities		464,447	373,278	4,345
Other (Increases)/Decreases				
Total Resources That Do Not Fund Net Costs of Operations	<u>\$ (2,798)</u>	<u>\$ 422,934</u>	<u>\$ 164,252</u>	<u>\$ 4,345</u>

COMPONENTS OF COST OF OPERATIONS THAT REQUIRE OR GENERATE RESOURCES

Depreciation and Amortization	\$ 0	\$ 0	\$ 0	\$ 0
Bad Debts Related to Uncollectable Non-Credit Reform Receivables				
Revaluation of Assets and Liabilities - Increases/(Decreases)				
Loss of Disposition of Assets				
Other - (Increases)/Decrease	30,685			
Total Costs That Do Not Require Resources	<u>\$ 30,685</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

FINANCING SOURCES YET TO BE PROVIDED	\$ 0	\$ 0	\$ 0	\$ 0
--------------------------------------	------	------	------	------

Net Cost of Operations	<u><u>\$ 18,161</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 0</u></u>
-------------------------------	-------------------------	--------------------	--------------------	--------------------

NOTE: This statement is provided for information only as Requested by the Office of Management and Budget. Funds are neither available to the DoD nor included in the DoD agency-wide Principal Statements.

Other Accompanying Information



(This page intentionally left blank)